



Daily Report

Latin America

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21 December 1993

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Cuba

Lionel Soto Comments on Agreements With Russia

FL2012164393 Havana Radio Rebelde Network in Spanish 1255 GMT 20 Dec 93

[Text] Lionel Soto, Secretariat secretary of the Central Committee of the Communist Party of Cuba, was interviewed by BOHEMIA. During the interview, Soto talked about financial and economic agreements with Russia through which Cuba would receive supplies and loans, to be used for the sugarcane harvest and to continue works begun by the USSR. Soto said negotiations are underway with Russia for a financial and commercial agreement under which Cuba would receive, during those periods when the island is preparing for and carrying out a sugarcane harvest, supplies such as fuel, fertilizers, herbicides, spare parts, and others that would contribute to better progress in the sugarcane harvest. It is obvious we will need to be punctual in repaying these supplies with sugar, Soto said, adding that this compensatory mechanism toward which we are headed is a commercial plan never before used in this field. Soto reiterated that the most important thing about this new plan is to ensure that its mechanism operates continuously and stably, just like a continuous finance and production system, since this will ensure a commercial stabilization process between the two countries.

The vice president of the Council of Ministers said that under the agreement reached with the Russians, their supplies must be paid for with sugar sales, which could represent somewhere around two million tons a year. Regarding the obligations the country will assume as a result of Russia's supply advance, Soto denied that these obligations could entail the sale to Russia of some sugarmill assets. Honoring our obligations makes it possible for us to demand reciprocity, Soto said and added: What we can do, because our laws allow it and the agreements with Russia facilitate it, is to organize joint enterprises in certain production areas of the sugar industry, such as sugar byproducts.

During the interview, Soto also discussed international prices. He said that Cuba's current trade with Russia, or with other countries, is based on international prices. Regarding preferential prices, Soto said that in the future, once Cuba's supply to some of its markets is stabilized, it may be possible to reestablish preferential prices. He stressed the importance to Cuba of the agreement with Russia because the island seeks to stabilize harvests with production of between seven and eight million tons of crude sugar.

Regarding other negotiations with Russia, Lionel Soto said that Cuba negotiated \$350 million in credits, to be used for specific targets and programs, particularly those that call for continuity and that were begun by the former Soviet Union. These would be beneficial and advantageous to both countries. Another credit agreement was reached, for \$30 million to protect the work

already done at the Juragua Electronuclear Plant. The construction of this plant has been temporarily suspended. Russians and Cubans have plans to complete this plant in the future. Plans are for this to be a joint enterprise, with the help of a third country. Soto also said that these agreements could make it possible to restart factories that were shut down for lack of raw materials.

The vice president of the Council of Ministers also talked about an agreement between the Russian Industry and Power Ministry and the Cuban Ministry of Basic Industry to establish cooperation at all levels and to amplify the economic agreements. In doing so, Soto said, we are establishing the possibility of cooperation in the field of energy and some areas of tourism. The vice president of the Council of Ministers added that the possibility of sending special oil extraction equipment to Russia is being studied. In conclusion, Soto said that the Cuban Government is very optimistic about the formalization of these agreements because, under the current circumstances, they are beneficial to both countries.

President Balaguer Views U.S. Embassy Official's Letter

FL1812022493 Havana Cuba Vision Network in Spanish 2320 GMT 17 Dec 93

[Excerpt] [passage omitted] In a letter sent to Dominican Commerce and Industry Secretary Arturo Martinez, U.S. Embassy Economic Section official William Falkner asked the local authorities to stop their citizens from investing in Cuba and warned that the alleged investments in properties previously owned by U.S. citizens in Cuba could be subject to claims. During a news conference held yesterday, Dominican President Joaquin Balaguer played down the importance to Falkner's letter and denied it had a political tinge.

Lezcano Addresses Closing Provincial Committee Session

FL2012144793 Havana Radio Progreso Network in Spanish 1200 GMT 20 Dec 93

[Text] Jorge Lezcano Perez, first secretary of the City of Havana Provincial Committee, addressed the closing session of ordinary meetings of the provincial committee. Lezcano said that 1994 must be faced with a stronger determination to struggle.

Lezcano, who is also a member of the Politburo of the Central Committee of the Communist Party of Cuba, said that throughout 1993, the most difficult for the Revolution, much was achieved in the fields of health, education, construction of priority works, tourism, and that the people's vital services were ensured. The Politburo member added that Havana will close 1993 with the lowest infant mortality rate in its history, nine for every 1,000 live births. The party leader urged everyone to face 1994, which will also be difficult, with greater

economic efficiency and to prepare the people to undertake and defend the new measures adopted by the country's leadership.

The City of Havana Provincial Committee studied a group of measures that have made it possible to curb crime; however, it has called for a stronger battle against crime to be waged not only by the police and judicial authorities, but by all the people as well.

Roundup: Criminal, Judicial Action Reported 8 Dec-17 Dec

FL1712170293

[Editorial Report] The following is a compilation of fileworthy reports on criminal activity and related judicial actions in Cuba carried on Havana radio and television in Spanish between 8 and 17 December.

Radio Rebelde at 1800 GMT on 8 December reports that with the increase of bicycles nationwide, there has been an increase in bicycle theft. "Cubans that we are, measures were immediately taken. Locks to protect them appeared.... The authorities, for their part, have increased their efforts to prevent and repress crimes of bicycle theft, and the courts hand down severe sentences, in keeping with what is established in the Penal Code." A sentence of 12 years' imprisonment for the crime of theft involving the use of violence and intimidation was sought recently in the case of Omar Coronado Perez, brought to trial in Havana.

Radio Rebelde at 1000 GMT on 10 December reports that over 80 drivers in Matanzas were fined between 5 and 100 pesos in the month of November, for violating Decrees No. 148 and No. 162. The violations most repeated were: improper use of the vehicle, route schedule not up to date, and equipment not parked in parking lot.

Radio Reloj at 1509 GMT on 11 December reports that the National Revolutionary Police have arrested five cattle rustlers in Los Arabos Municipality, Matanzas Province, with the support of the Unified Vigilance and Protection System. The rustlers, indicted for seven slaughter incidents, benefited from unscrupulous people who purchase the meat knowing it was stolen and not certified for human consumption.

Radio Progreso Network at 1200 GMT on 17 December reports that Cuba's 14,257 existing base-level labor courts have resolved "close to 27,000" cases of labor litigation in their first year of operation. All deserve praise "because all these courts that have taken action have devoted part of their leisure time to dispensing justice with dedication and with love." These courts are made up of a total of "119,088 members, all of which have been trained, except for those people who have filled very recent vacancies. They have been given training courses on the procedures proper to the new labor regulations [justicia laboral], which they must be

familiar with in order to take action, as well as on the principle legal norms most frequently applied."

In the same newscast, Progreso reports that the Havana City Provincial Court has tried a case of embezzlement of over 16,000 pesos. A police investigation revealed that the chief in charge of payroll at a Havana construction company, in cahoots with the economic chiefs of several brigades subordinate to that company, stole large sums of money. These people reported that they had workers with rights to subsidies, whereupon the payroll chief would establish these workers via other documents and, later, report that payment had been effected. These payments were illegal. The crime was discovered during an audit. The accused invented names and forged signatures, on payrolls. For the crime of misappropriation of funds, the chief in charge of payroll received a sentence of 15 years' imprisonment; the other defendants got sentences of between 8 and 10 years' imprisonment. In addition to adversely affecting the economic results of a construction enterprise, this crime created a climate of distrust that brought about a deterioration of work discipline, since it was committed by workers who, instead, should have been looking after property.

Roundup of Politburo Members' Activities 14 Dec-18 Dec

FL2012150993

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba (PCC) carried on Havana radio and television in Spanish between 14 and 18 December.

Yadira Garcia Vera has urged Matanzas residents to use all available resources to make progress in the planting plan. Matanzas residents have "planted approximately 300 caballerias of tubers, grains, and orchards, of the 750 caballerias to be planted by 31 December." The delay in planting is due "mainly to a lack of basic supplies." (Radio Reloj 2048 GMT 14 Dec)

Julian Rizo Alvarez attended a meeting in Camaguey at which the Committees for the Defense of the Revolution launched their campaign to collect funds and donations to help the rain victims in Guantanamo Province. (Radio Rebelde 0000 GMT 15 Dec)

Pedro Ross Leal visited sugarmills in Las Tunas and was pleased to see that "everyone is working with much enthusiasm and that the workers are directly participating in the sugarcane planting tasks." Pedro Ross also said that he was witness to the fact that the people had become aware of the current situation "and every expense that must be made is carefully studied." (Radio Rebelde 0000 GMT 15 Dec)

Yadira Garcia attended the second ordinary session of the seventh period of the Matanzas Provincial Assembly of the People's Government, at which the Assembly voted unanimously to acknowledge the efforts made by

sugar sector workers to prepare the means of production for the current sugar harvest. (Radio Reloj 1502 GMT 17 Dec)

Candido Palmero has called for making cane planting a priority task in Havana Province. He announced that the province is only 160 caballerias short of complying with the cold-season planting plan. No mention of where or when Palmero made the call was given. (Radio Progreso Network 1100 GMT 18 Dec)

Antonio Guiteras Plant Resumes Operations

FL2012150493 Havana Radio Progreso Network in Spanish 1200 GMT 20 Dec 93

[Report by Candido Dominguez from Matanzas]

[Text] Good morning, Radio Rebelde listeners. The Antonio Guiteras Thermoelectric Plant in Matanzas was turned on early this morning following repairs and maintenance carried out practically in record time. Jesus Echevarria, an engineer and shift supervisor, said that the Antonio Guiteras plant was linked to the national network at exactly 0127 [0627 GMT] after some difficulties encountered during the automatic startup were solved. Plant workers and Ministry of Basic Industry maintenance crews undertook this admirable task.

The Antonio Guiteras Thermoelectric Plant was shut down in late November for repairs and maintenance. This work was scheduled to be completed on 24 December. The excellent work, organization, and determination of the workers made it possible, however, to complete the work ahead of schedule. The Antonio Guiteras Thermoelectric Plant has the largest electricity-generating unit in the country. Putting this plant back in operation alleviates the difficult situation confronted by the country's electricity generating sector.

System Working at 49 Percent

FL2112022393 Havana Radio Reloj Network in Spanish 2032 GMT 20 Dec 93

[Text] With the restart of the Antonio Guiteras Plant in Matanzas, the National Electric System increased its generating capacity to 499 megawatts, that is, 49 percent of the potential installed. According to officials from this sector, the 330 megawatts unit can deliver its full charge, although it is currently being used to regulate the frequency of the system. Presently, approximately 900 megawatts are not being generated due to breakdowns in certain units and difficulties with water and fuel supplies. This is why 160 megawatts are not being delivered, only about 540 [not further specified] continue under maintenance.

With the restart of the 330 megawatt unit, a highly efficient low-consumption unit joins the electric system.

Reporters Discuss Dollars in Economy

FL2012134193 Havana Radio Rebelde Network in Spanish 1700 GMT 16 Dec 93

["Straight Talk" program with host Carlos Santana Ojeda and guest Osvaldo Rodriguez from JUVENTUD REBELDE weekly—live]

[Text] [Santana] Greetings, friends. [4 second break in reception] why not, almost nighttime already. We are talking straight, over Radio Rebelde. Today, a very important topic, at least so seem to our friends, judging by their numerous letters and phone calls: the so-called dollarization of the domestic economy.

[Rodriguez] Yes, as you correctly said, I think this subject is one being much discussed in the streets. Well, we have seen how, in recent times, many domestic problems, problems of the home, could be solved by buying in hard currency from the commercial network that exists in Cuba, a network created a long time ago for tourists, diplomats, foreign technicians, and now, why not, also for those Cubans who have access to dollars. And, of course, this comes at a moment when there are so many shortages, so many problems, to see a mother lode by means of which the problem can be solved, for it is toward this network that all Cubans have turned their gaze. And not a few of us think, and why not, I must say that I too have at times been carried away by this idea, the solution is to have dollars. If we have dollars, or hard currency of any kind we can solve our domestic problems.

[Santana] But is this a dollarization of our economy?

[Rodriguez] Some have called it dollarization because dollars solve problems and the Cuban peso, devaluated as it is....[pauses] We all know it has lost its value due to the amount in circulation and the lack of production to back it up in our regular state commercial network. Many think that the solution is for dollars to now flood the Cuban economy and therefore a resulting dollarization, that is of course mistaken. This is a gross mistake by those who think and see our economic future in this manner. I believe that this is nothing more than a momentary thing. It is a needed transition in a period of crisis. A solution to the crisis required the taking of certain decisions such as the free circulation of hard currency by all citizens who receive it one way or another. This is a transition period. The commander in chief explained this in his July speech when he announced the decriminalization of hard currency possession. He was speaking of a Cuban currency, a peso currency, a currency of our own like many countries have. For example, you and I know that in many countries foreign currencies do not circulate freely.

[Santana] You go the store with a dollar and it is not accepted. You have to pay in the country's currency.

[Rodriguez] Of course, you have to exchange it. In addition, no economy can withstand that. Why? Some people told me: Well, the solution is for everyone to have dollars.

If we do that, first of all we are relinquishing our national identity. It will happen to us like it happened to the Panamanians with the balboa—the balboa is symbolic in Panama. I even know Panamanian children who do not know the balboa. On one occasion I was talking with a Panamanian in front of her children, ages eight and nine, about the balboa and they asked: Mom, what's that? Panamanian children are not familiar with the Balboa because the country let itself be flooded by dollars and that is the currency in circulation today. Any economy that allows itself to be flooded by a foreign currency is undoubtedly an economy that will always depend on that foreign country.

[Santana] The problem of dollars in Cuba: People are solving their problems, not everyone, we have to differentiate. Not everyone has dollars. Others are solving their problems, however. Others are buying dollars with dollars, something we cannot hide. And that continues increasing the price of dollars and lowering the Cuban peso.

[Santana] How do we confront this situation in the future? What are the possibilities? What can be the solution to this problem?

[Rodriguez] First of all, let me make something clear about that purchase of dollars; recently, I asked a legal expert, actually a vice president of the Supreme Court, if trafficking in currency had also been decriminalized. He told: No, it continues to be a crime to traffic in currency. In other words, the current purchasing of dollars among the Cuban population is a crime and whoever is caught doing it can be penalized. I must clarify this because many people believe this is already legal.

Where are we headed? First of all, we are trying to give value to the Cuban peso. It is necessary to immediately undertake, and I think that in the National Assembly of the People's Government at the end of December this issue will be discussed, a healing of domestic finances.

In order to heal domestic finances, we must try to find the means not only to reduce the excess money, but also to generate the domestic production to back up the money in circulation. This is not something accomplished in one or two months. The entire process might even take two years. The amount of money has been increasing, and currently, in December, there should be over 10 billion pesos in circulation in the national economy.

This unquestionably is what triggers the current physical devaluation. Although not official, it is physical because every product you wish to buy on the so-called black market, no longer so black, it is fairly open nowadays, has a very high price. Today, one of these vendors was offering me an avocado for 20 pesos. I never thought an avocado would end up costing 20 pesos. This gives you

an idea of the devaluation the peso is undergoing. The trading in dollars further devalues the peso. This affects you, me, and everyone who has to buy anything in this country.

[Santana] But do we have to relinquish the dollar market?

[Rodriguez] I believe we have to think a bit retrospectively. Let us remember six or eight years ago when the renowned Friendship stores existed. The Friendship stores existed simultaneous with the hard currency stores, from which the black market acquired certain products. However, when we had that network, from which we could satisfy, at an acceptable quality level, a whole series of needs such as clothing, shoes, food, personal hygiene items, household cleaning supplies, and furniture, we were not as obsessed with meeting our needs in the diplomatic or hard-currency stores. We need to return to that.

[Santana] To the parallel market.

[Rodriguez] To the parallel market. That parallel market ought to return. It will no longer be a parallel market, but the only market. We cannot make this as problematic as it was before. The other day, I was discussing with a friend how there are three different prices for the same quality of cigarette. This is an economic absurdity. This cannot continue.

[Santana] Something you said: The only market. We have to be specific. The ration card market, which guarantees basic products, will always exist.

[Rodriguez] I believe this is so; that that market will continue to exist. As a matter of fact, we recently discussed this, you were not here, that that market is highly subsidized.

[Santana] That it might continue without the subsidy is another issue, but I am saying we should not speak of the 'only' market because it could be misinterpreted.

[Rodriguez] Of course. It is not that tomorrow prices will become unregulated and will fluctuate, because that is a market economy. That is what we have been avoiding for a long time, since the beginning of our economic crisis, precisely, not needing to reach that point of shock therapy. When I refer to an only market, I am speaking of eliminating the parallel market, where I sell the same items at different prices. I believe that eventually, this market ought to be eliminated. We can eliminate that market to the degree that supply meets demand. To the degree that lower-income people are subsidized, you can begin to eliminate the products that are sold at a very low price.

[Santana] That is the trick: subsidies to lowest-income people.

[Rodriguez] Of course.

[Santana] That is the idea. That could be the strategy. We are speculating a bit in today's program. We are

trying to talk straight, but these are our ideas. It is not that the state is going to adopt these measures overnight. We are analyzing here the so-called dollarization of the national economy. All this implies trying to give the Cuban peso its rightful value.

[Rodriguez] Of course. I believe that not only is it a matter of establishing a subsidy for the people. We also need to establish policies so that the person who has money, but not much in which to invest it, has an incentive to deposit it in the bank. Right now, there is a lot of money in the bank, but we need new banking policies to promote savings.

[Santana] The problem of incentives.

[Rodriguez] First of all, I believe we need to boost production, but that production must be boosted not only by moral incentives, but also by material incentives. There is the case of the renowned Basic Cooperative Production Units [UBPC's], the UBPC's and the new system under which the sugar mills are going to operate. The entire national economy has to follow this. It is not a matter of copying from one another because each one has its own conditions, but the Cuban workers need to understand: "From each according to his ability; to each according to his work." This is necessary. It is essential during this phase to truly speak of realism, a practical phase, etc.

I mentioned banking policies to encourage savings. There are also tax policies. There is talk that these ought to begin increasing, that these will also help us somewhat to eliminate excess currency.

Finally, we should mention those who believe that a portion of salaries should be paid in hard currency. I believe that they who think in this manner are thinking in the present. Today, I would need to be paid in hard currency to solve my problems. Three, five, 10 years from now, what? What do I do with my salary in hard currency? This is something we need to be aware of. We cannot adopt definitive measures for a temporary process.

[Santana] The problem is very complex. Do you not think so?

[Rodriguez] Yes, of course. I believe it is very complex because what is necessary is not to have a paper currency that is also hard currency, it might be pounds or Japanese yen or any currency, what we need is for that currency to be backed when it comes time to use the money in the market, which is what is not happening now. We can say that we are going to pay in dollars, or any strong currency in the world, but if we do not have the support of the market we will undoubtedly fall into a domestic inflation and the dollar will fall here and have not value whatsoever and prices will shoot up and the same thing will happen. I repeat: It is not an issue of what currency will we use but what material, products we ought to have in order to back the currency in circulation.

Matanzas Tourist Sector Shows 10 Percent Growth

FL2012165093 Havana Radio Reloj Network in Spanish 1505 GMT 20 Dec 93

[Text] Through November 1993, the Matanzas tourist industry has generated income in the amount of \$169 million, reflecting 10 percent growth compared to the same period in 1992. The Sol Palmeras, Melia Varadero, (Tuxpan), and Bella Costa hotels, leased by Cubanacan to foreign hotel enterprises, will close the last month of the year with \$31 million in profit.

It was also learned that there are large quantities of limestone in Matanzas. This has prompted studies to determine its value in construction work once the limestone beds are located, tests run, and depending on the basic quality and possibilities of the material, extraction determined. This system was approved during the Eighth Provincial Science and Technology Forum.

Government Making Weapons To Confront U.S. 'Attack'

PA2012154193 Mexico City NOTIMEX in Spanish 1839 GMT 18 Dec 93

[Text] Havana, 18 Dec (NOTIMEX)—The official newspaper, GRANMA, reported today that the Cuban Government revealed that it is manufacturing weapons in the country to confront an alleged U.S. attack similar to the invasion of Panama or the Persian Gulf war. The Revolutionary Armed Forces (FAR) has sent its military units light assault vehicles and antihelicopter semiautomatic rifles, both of which are manufactured domestically, the newspaper highlighted in its report.

The rifle, called "Mambi," is a 12.7-caliber weapon and was successfully tested during the military exercises held in the eastern part of the island recently, the daily reported. FAR experts designed this weapon after witnessing the United States' frequent use of its helicopters during its operations in Panama in December 1989, the newspaper added. The Cuban Army is equipped with the well-known AK rifle, manufactured in the former Soviet Union, which was Cuba's main weapons supplier until 1990. The manufacture of the "Fiero" light assault vehicle, the newspaper added, was based on the experience of the Persian Gulf war and the characteristics of the Cuban military strategy called "War of the Entire Nation." [Guerra de todo el pueblo]

Division General Ulises Rosales del Toro said during the closing event of the Eighth Science and Technology Forum yesterday that among all the government organizations, FAR had presented the largest number of solutions to the lack of supplies and spare parts. The officer explained that their main tasks are centered on preparing for the defense and site of operations, safeguarding weapons, ensuring the production of food for the troops, and strengthening military discipline.

Bishops: Announcement of Emigrant Talks Encouraging*PA2012133293 Madrid EFE in Spanish 1620 GMT 18 Dec 93*

[Text] Havana, 18 Dec (EFE)—The Catholic bishops of Cuba characterized today as "encouraging" the announcement made recently by authorities about convoking Cuban emigrants to a dialogue. The bishops also expressed their hope that there will be, sometime in the future, "a true internal dialogue."

The Episcopal Conference states in its Christmas message that any true dialogue must be aimed at improving personal and social conditions, must be based on a nonexcluding attitude, and must respect spontaneous freedom, "without severely adhering to issues set beforehand."

This is how the church has alluded to the Castro government's initiative of convoking in Havana, during the second quarter of 1994, emigrants wanting to recover their ties with the country without attacking the current political system.

The bishops have insisted on the need "to reconcile our people" so that "peace may live in the heart of all Cubans and our families." The message notes that "this Christmas will not take place in times of peace. There are wars burdening the people of several continents and an unjust economic and social order is producing unemployment, growing disparities, hunger, and diseases in our nations."

The message adds that Cuba "is not free of this plight and it is also enduring economic difficulties that produce concern and unrest" among the people.

Journalists Union Gets New President*FL2012022393 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 20 Dec 93*

[Text] The Sixth Congress of the Union of Cuban Journalists [UPEC] will take place on 23 December at the Convention Center. Before this congress, the meeting of the UPEC national committee has taken place. During this meeting, Tubal Paez was elected UPEC president. During this meeting, it also was agreed to increase to nine the number of members in the UPEC's top leadership.

Former Costa Rican President Calls for End to Blockade*FL1812025893 Havana Radio Rebelde Network in Spanish 0000 GMT 18 Dec 93*

[Text] Oscar Arias, former Costa Rican president and Nobel Prize winner, demanded today that the United States lift its economic blockade against Cuba and that its troops withdraw from the naval base the United States illegally maintains in Guantanamo. Arias made this demand in Cartagena de Indias, Colombia, where he is attending a forum on Latin America.

*** Pharmaceutical Lab's Exports Noted***94P20150B*

[Editorial Report] Havana GRANMA in Spanish of 23 November 1993 on page 6 reports that Pharmaceutical Laboratories [Labiofam], which has a network of 17 laboratories throughout the island and employs 2,000 workers, is seeking to expand its exports in order to finance its production with foreign currency. According to the article, Labiofam, whose products include vaccines against cattle, sheep, poultry, and pig diseases, has recently made exports to Mexico and Colombia. The article explains that some Labiofam products are produced from plants. Labiofam has signed contracts with Latin American countries and is negotiating contracts with Canada as well as countries in Europe, Asia, and Africa, the article reports.

*** Juice Enterprise Established With Chile***94P20150A*

[Editorial Report] Santiago LA NACION in Spanish of 23 November 1993 on page 17 reports that Cuba and Chile have established a joint venture to produce annually 30 million liters of citrus fruit juice in Jaguey Grande, 140 km east of Havana City. The Chilean company, Ingelco, S.A., and the Cuban Citrus Combine are participating in the joint venture. They will sell their product on the international market under the trademark "Tropical Island," according to the article. Chilean businessman Carlos Cardoen explains that the enterprise will use the packaging technology of the Swedish firm, Tetrapack, and that it will eventually produce 90 million liters of juice per year.

Correction to Castro Closes Forum 17 Dec*FL2012235793*

The following correction pertains to the item headlined "Castro Closes Forum 17 Dec," published in the 20 December Latin American DAILY REPORT, page 7: Column one, second paragraph, second sentence make read: ...parts, munitions, weapons, motors; with all kinds.... (rewording per monitor recheck)

Bahamas**Ingraham on Haiti, Liat, St. Kitts Elections, NAFTA***FL2012191293 Bridgetown CANA in English 1815 GMT 20 Dec 93*

[Text] Nassau, Bahamas, 20 Dec, CANA—Bahamian Prime Minister Hubert Ingraham has told Caribbean Community (Caricom) representatives he is almost pessimistic about the situation in Haiti. Ingraham said he felt "let down" and "disappointed" about the prevailing situation in Haiti during a press briefing at the conclusion of fourth meeting of the Bureau of the Conference of Heads of Government of the Caribbean Community.

Ingraham chaired the meeting which discussed the political stand-off in Haiti, where the military retains power. He said he was, however, happy to hear that the United States was continuing the embargo against Haiti, and applying pressure on the military regime there.

The Bahamian leader said the number of illegal Haitians coming to The Bahamas had virtually stopped because of the embargo, and as a result of the government policies, a significant number of illegal residents were voluntarily leaving the country. "We have stretched ourselves beyond our limits and we are now being inundated with the Cubans, who are adding to our burden. We appeal to the world to help in both regards. We can't do any more because we are doing more than our fair share," Ingraham said.

There was no conclusion on the issue of a regional carrier. The governments are to take a decision on offers to divest the financially-troubled island-hopping Liat, which they own.

Ingraham said the bureau reviewed the situation which had developed in St. Kitts and Nevis after the recent general elections there. Members of the bureau had received communication from St. Kitts and Nevis about the political developments there, and had consulted with some of their colleague heads of government, he said. Ingraham said that the bureau reaffirmed the fundamental importance which the Caribbean Community placed on democracy and good governance, and expressed strong hope that all concerned in St. Kitts and Nevis would make an effort to ensure full respect for the people. Appointment of a minority government last month, led by Prime Minister Dr. Kennedy Simmonds, sparked demonstrations and a clash with police in which at least 18 persons were injured.

When heads of government meet in St. Vincent in February, the North American Free Trade Agreement (NAFTA) will continue to be an issue. Ingraham was hopeful that Caricom would arrive at a common position on NAFTA by then. NAFTA, he said, had the potential to be a serious threat to a number of Caribbean economies.

Bermuda

'Erosion of Ties' Seen in UK Naval Facility Closing

FL1812182193 Bridgetown CANA in English 1632
GMT 18 Dec 93

[Text] Hamilton, Bermuda, 18 Dec, CANA—Facing the closure of British, Canadian and American naval installations here, Bermuda Premier Sir John Swan said the Atlantic Ocean British colony will seek to accommodate visiting ships of the North Atlantic Treaty Organisation (NATO).

The premier's disclosure came as British secretary of state for defence, Malcolm Rifkind, announced that

London will end more than two centuries of the Royal Navy's presence here on April 1, 1995. Britain will close down HMS Malabar in dockyard at Bermuda's west end.

Sir John said Bermuda would first have to look at ways of servicing and hosting visiting NATO ships and submarines plus their crews, which Malabar had taken an increasing role in dealing with after the US Naval Annex closed. "If we find it is not practical for us to deal with them, then we cannot accommodate them at all," he said.

Sir John was unhappy about the timing of the closure—just six months before the sprawling United States Naval Air Station is due to close down. Canadian forces have already begun pulling out and are expected to complete withdrawal from their base at Daniel's Head at the end of the year.

"(Britain) could have given us more time," Sir John told the "ROYAL GAZETTE" newspaper after learning of the pull-out. Britain spent less than one million pounds (1.5 million U.S. dollars) a year to run HMS Malabar, the premier said. "We are getting ready to lose the Americans. We have lost the Canadians—and now the British." Sir John viewed the withdrawal as "a further erosion of ties with the British Government".

Governor Lord Waddington said in a statement: "It will be sad to see HMS Malabar close but this will not mean that there will not continue to be the closest defence links between the United Kingdom and Bermuda.... Royal Navy ships will continue to call."

In a letter conveyed to the premier on Thursday by Lord Waddington, Rifkind said: "(Malabar's) strategic importance has greatly diminished." He said the British Government had been undertaking a "thorough examination of the UK's defence requirements in light of "international development and available resources. For almost two centuries since construction work began on the Royal Navy's facilities in 1810, Bermuda provided the UK and more recently the NATO alliance with a valuable asset in a strategically significant location," Rifkind said.

'To Pull Out' in Under 2 Years

FL2012171993 Bridgetown CANA in English 1540
GMT 20 Dec 93

[Text] Hamilton, Bermuda, 20 Dec, CANA—The Royal Navy is pulling out of Bermuda in less than two years, the ROYAL GAZETTE newspaper has reported here.

British Secretary of State for Defence Malcolm Rifkind was due to announce in the House of Commons that his government will close down HMS Malabar in dockyard at Bermuda's West End April 1, 1995. The closure, confirmed by Governor Lord Waddington, will mark the end of more than two centuries of British naval presence in this tiny British Atlantic Ocean colony.

News of the withdrawal worried Bermuda's premier, Sir John Swan, who viewed it as, "a further erosion of ties with the British Government." He was also unhappy about the timing—just six months before the likely closure date of the sprawling United States Naval Air Station. Sir John said the news had not surprised him because the British had hinted at it. But he had not expected a full withdrawal as early as 1995.

Lord Waddington said in a statement: "It will be sad to see HMS Malabar close, but this will not mean that there will not continue to be the closest defence links between the United Kingdom and Bermuda... Royal Navy ships will continue to call."

But Sir John said Bermuda would first have to look at ways of servicing and hosting visiting NATO ships and submarines, plus their crews, which Malabar had taken an increasing role in dealing with after the U.S. naval annex closed. "If we find it is not practical for us to deal with them, then we can not accommodate them at all," he said.

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"For almost two centuries since construction work began on the Royal Navy's facilities in 1810, Bermuda provided the UK—and more recently, the NATO alliance—with a valuable asset in a strategically significant location," Rifkind said. Today, it was no more than a "convenient location" for Royal Navy and other NATO vessels for refuelling, minor repair, maintenance, and rest. Rifkind said he had decided after "full consideration."

"I do not intend that the closure of the HMS Malabar will end the Royal Navy's ties with Bermuda." And close links would continue to exist between Bermuda's part-time regiment and the British Army. Currently, five members of the Royal Anglican Regiment are attached to the regiment.

This summer, Sir John paid his first official visit to Malabar to prepare a case to show Bermuda's importance to NATO amid a number of defence cuts by Britain. At a time, he said, it provided Bermuda with substantial hidden revenue through visiting naval ships and their crews. There were also 14 uniformed staff attached and 12 civilians, including a number of Bermudians. Malabar commander, Robin Bawtree, had been sceptical of the closure rumours, saying: "It will be here for another 300 years."

Sir John said [an] already-appointed base committee would be given the task of finding a new use for the land, totalling 20 acres, once it was returned. It includes a playing field, new tennis courts, and recreational buildings. Cabinet is currently looking over suggested uses

submitted for the 17-acre site of the former Canadian base at Daniel's Head, and the 240-acre U.S. naval annex in Southampton. The U.S. Naval Air Station at St. David's is 1, 100 acres of land.

Dominica

Banana Exports to Europe Suffer Due to GATT 'Deal'

FL1712201893 Bridgetown CANA in English 1901
GMT 17 Dec 93

[Text] Roseau, Dominica, 17 Dec, CANA—Caribbean banana producers are being placed at a disadvantage by concessions to Latin American exporters of fruit to Europe, as part of the deal between the United States and Europe to finalise GATT World Trade arrangements, according to Dominica's foreign minister, Brian Alleyne.

The Latin Americans, whose annual quota was put at two million tonnes under a European banana regime which took effect in July of this year, are now being allowed an additional one hundred thousand tonnes this year, and another one hundred thousand next year, industry officials here complained.

"This further undermines the position of the ACP (African, Caribbean and Pacific) banana producers, including Dominica," Alleyne said. "These concessions were made by the European Community, apparently in order to gain access to Latin American markets for some of their products, and is part of the trade-offs that take place at these international forums."

The Dominican minister warned that the move would have a devastating effect on the Caribbean banana prices and the region's access to the European market. Alleyne said the government here was very concerned and disturbed "by this virtual surrender, certainly, of part of the banana arrangement in order to gain access for European goods into the Latin American market".

Alleyne and the other officials here fear this may be the first of many incursions into what should be protection for ACP banana producers who are traditional suppliers of bananas to Europe. One concern here is that the concessions will further depress the financially troubled banana industry here.

Dominica's former ambassador to Brussels, Charles Savarin, has called on the Europeans to deliver on an assistance package which is yet to receive final approval. "The proposal by the commission would provide price support for farmers, and technical assistance to the industry. The commission had proposed sixty million ECU's (European Currency Units) per year, that is to say fifty million ECU's for private support and ten million ECU's for technical assistance for ACP traditional suppliers," Savarin noted.

He said the fact that the Council of the European Community had not taken a decision on the commission's proposal was to a large extent responsible for the difficult situation the Windward Islands banana industry found itself in at the moment.

The former ambassador says concessions being made to "dollar bananas" by Europe, must be accompanied by approval of the financial and technical assistance package for ACP states, to help them deal with declining banana prices and promote diversification and other survival measures.

Grenada

Banana Industry Faces Collapse Following EC Decision

FL2012174293 Bridgetown CANA in English 1602 GMT 20 Dec 93

[Report by Richard Simon]

[Text] St. George's, Grenada, 20 Dec, CANA—The banana industry in the Windward Islands faces collapse because of the European Community (EC) decision to allow more Latin American fruit to enter Europe, says Grenada's Agriculture Minister George Brizan.

Brizan, who recently assumed the chairmanship of the African, Caribbean, and Pacific (ACP) group, suggested the region's prime ministers should lead diplomatic moves to either have the decision reversed or placed on hold.

His statement follows the EC's offer to Latin American producers to allow an additional 100,000 tonnes a year of their so-called dollar bananas into the European market in 1994 and 1995, made during the final hours of talks to secure the Uruguay Round of the General Agreement of Tariffs and Trade (GATT).

Banana officials told CANA the Latins have so far declined the offer to extend their present quota of two million tonnes in Europe. However, the offer remains open until February 15, 1994. The extension of quota will severely weaken an already soft European market and further depress the region's banana industry, the officials said.

Brizan warned that any departure from the original agreement between the Europeans and the Windwards, which gave some protection to their fruit, can result in the industry's collapse. Bananas from African, Caribbean, and Pacific (ACP) nations, traditional suppliers of the fruit to Europe, are given preferential treatment by the European community under a ten-year Lome IV agreement.

The Windward Islands quota of 274,000 tonnes enters Europe duty-free. Under a five-month-old preferential regime, the Latin quota is dutiable, and any excess is taxed higher than that of ACP bananas. Brizan said

pressure on Windwards Islands' banana trade in Europe will increase now that more of the Latin dollar bananas are being allowed to compete.

"This will have serious implications because now it's not just the quantum but the setting up of a precedent," he said, adding that as a result of the creation of the European single market in July, banana prices have been declining steadily and severely with the resulting effect on regional economies. The news is especially bad for Grenada—already reeling from low-quality fruit and decreasing prices—since extensive areas of land have been allocated to banana production.

"The region cannot compete with Latin America, and with the signing of GATT, it means that our banana industry will be exposed to the very worst," Brizan said. He advised the Windwards to begin thinking of ways to insulate the industry, broaden the economic base, and protect the industry from collapse, which may come before the year 2,000.

Finance Ministry officials here were projecting a rebound for bananas, but the additional Latin quota will force both the agriculture and finance ministries to rethink their strategies. Grenada, according to Brizan, will now look again at diversification of its exports away from the traditional cash crops: nutmegs, cocoa, and bananas, all three of which have had declining foreign exchange earnings.

Haiti

Military Mission To Arrive in Haiti

FL2112001093 Port-au-Prince Signal FM Radio in French 1500 GMT 20 Dec 93

[Text] A high-level military mission composed of representatives of the Four Friends of Haiti is due to arrive within the next 24 hours in Haiti, according to information broadcast by the Voice Of America. This mission, composed of French, Canadian, Venezuelan, and American officials, will pass to the Haitian military leaders a message from the four countries. Following the meeting of those countries in Paris on 13 and 14 December, they decided to send a clear message to the military authorities, the same source reports.

It should be recalled that the four countries, friends of Haiti, had announced two missions, one to meet with President Aristide in Washington, and the other to meet the Haitian military authorities. The four countries, friends of Haiti, decided to strengthen the international sanctions against Haiti. They asserted that those sanctions would be suspended only when the military authorities create the conditions to allow a mission of police and military cooperation, MINUHA, as well as appropriate conditions for the return of President Aristide and for maintaining constitutional order, according to Mr. Bertrand (Dufourque), secretary general of the French Ministry of Foreign Affairs.

Jamaica

Government Seeks 'Environmentally Protected Area' Status

FL2012173393 Bridgetown CANA in English 1554
GMT 20 Dec 93

[Text] Kingston, Jamaica, 20 Dec, CANA—The Jamaica Government is taking steps to have the island designated, "an environmentally protected area," Environment Minister Easton Douglas has said.

Speaking to the state news agency, JAMPRESS, Douglas said the move is to protect the island's delicate ecology, regarded as "a national asset." The environment minister said his government also intended to institute a licence, which would be necessary for any type of significant development, industrial or otherwise, of interest to the environment.

The Natural Resources Conservation Development Authority (NRCA) would be the body responsible for granting such licences, Douglas said. And there would be close collaboration with the Town and Country Planning Department to avoid duplication and to better coordinate and speed up the process, he added.

Douglas repeated previous announcements that steps were being taken to have the Cockpit Country and the Black River area designated as national parks. He observed that action would soon be taken to clean up the Kingston Harbour which was badly polluted in some parts. The main contaminants are sewage and chemical residue from the 21 gullies and mains which emptied their contents into it. The environment minister also said the city's sewerage system is to be upgraded.

Netherlands Antilles

Opposition Leader Defends Position on Dutch Talks

FL1912230593 Bridgetown CANA in English 2039
GMT 18 Dec 93

[Text] Philipsburg, St. Maarten, 18 Dec, CANA—St. Maarten opposition party leader Vance James Jr. has defended his position on talks with top Dutch officials on plans for constitutional restructuring of the Netherlands Antilles. In an interview, the political leader of the St. Maarten patriotic alliance, said critics of the talks would like to see St. Maarten jump on a bandwagon coming from Curacao.

The critics, including the local pressure group "we fo we," have charged that St. Maarten's political leaders are displaying disregard for the voters by pursuing only one option for constitutional restructuring. They say the local leaders should first hold a referendum for St. Maarten, like Curacao did, to see which option would be chosen before moving any further in their negotiations with Holland.

But James said it was necessary to first negotiate with Holland to see what is possible, and to thoroughly work out all the options before going to the voters with a referendum. This way, he said, the choices will be clearly worked out and the voters will know which options are feasible and which are not, before they are offered the choice.

Furthermore, he denied that the three political factions in the island council are closing the doors on other options by concentrating all their efforts on the proposal for Full Internal Self-Government in Sovereign Association (FISSA) which has been endorsed by the three factions.

He said the FISSA proposal is flexible enough to embrace the first two options which were offered to Curacao's voters—continuing within a restructured Netherlands Antilles of five, or else pursuing autonomy within the Dutch kingdom. He said there is no need to negotiate with the Dutch about the option of total independence, because the Dutch have already laid out very specifically all the conditions of independence in a document issued several years ago.

St. Kitts and Nevis

Special Government Advisers Resign

FL1912223393 Bridgetown CANA in English 2011
GMT 18 Dec 93

[Text] Basseterre, St. Kitts, 18 Dec, CANA—Two special advisers whose appointments were announced by the St. Kitts and Nevis government this week have resigned. According to a statement from the government, Richard Caines and Roy Jones tendered their resignations with effect from Friday, citing personal reasons.

Caines was appointed to the Ministry of Finance where he has been serving since the People's Action Movement (PAM) came to power in 1980. He was first parliamentary secretary in the ministry and from 1984 became a minister in the ministry.

In his letter to the prime minister, Caines said he had served his country at great personal sacrifice and it was now time to concentrate on his family business. Caines operates a spare parts and car rental agency in Basseterre.

Jones, who served as a minister in the two previous PAM-Nevis Reformation Party administrations, said in his letter he could not accept the offer because of a decision he had made regarding his future employment.

The two appointments were attacked by the opposition St. Kitts-Nevis Labour Party (SKNLP). SKNLP leader Dr. Denzil Douglas said they reflected the coalition government's arrogance.

Trinidad and Tobago

Manning: 'Racial Considerations' Spur Opposition Attacks

FL2012180293 Bridgetown CANA in English 1741
GMT 20 Dec 93

[Text] Port-of-Spain, Trinidad, 20 Dec, CANA—Trinidad and Tobago's Prime Minister Patrick Manning has suggested there were racial considerations behind recent opposition attacks on Manning and development minister, Dr. Lenny Saith over a multimillion-dollar debt issue.

Manning on Saturday "reaffirmed his confidence" in Saith, adding "had that not been the case, he could not have acted as prime minister in my absence... And if I leave tomorrow morning, he will act again."

Saith who is also chairman of the ruling People's National Movement (PNM), acted as prime minister during Manning's visit to The Bahamas last week to attend the Caribbean Community (Caricom) bureau meeting.

Both the parliamentary opposition United National Congress (UNC) and the minority National Alliance for Reconstruction (NAR) attacked Saith in parliament last week over a Trinidad and Tobago 12-million dollar debt and alleged forgiveness by the debtor banks. Manning said opposition charges that Saith was a major shareholder in an engineering firm were also untrue.

"The allegations were spurious then, they continue to be spurious in respect of Trintoplan, and they are even more spurious in respect of this non-issue that has emerged about debt forgiveness and so on," the prime minister said.

Stating that the opposition had focused their attacks on Saith, Manning added, "It is quite clear that the opposition is pursuing a certain strategy in the country and that Dr. Saith's involvement in the government at such a high level is frustrating that strategy... And therefore the new strategy is to eliminate him. It is simple and straightforward. You follow what is happening with the UNC all over the country and you will see. And that is one of the reasons why I constantly have made the point that this is a multiracial society," he added. There are those who are seeking to paint the PNM in one particular corner. It is just not so."

Manning said before he became the country's prime minister he was informed by Dr. Saith about developments on the loan issue and it continued, "as it should," after assuming office. Stating that at no stage was he uncomfortable with the issue, the prime minister added, "What I am very uncomfortable about is the attempts by some in this country to continue to denigrate honest citizens."

Planning Minister Defends Loan

FL1912215793 Bridgetown CANA in English 1659
GMT 19 Dec 93

[Text] Port-of-Spain, Trinidad, 19 Dec, CANA—Acting Trinidad and Tobago Prime Minister Dr. Lenny Saith has denied reports of a write off of part of a TT9 million dollar loan made to him and his wife for the construction of a shopping mall in San Fernando.

"There has been no debt forgiveness or write-offs of monies. There has been no removal of the personal guarantees, and the property has not been sold nor has the mortgage been released. I hope I am not tried for something that has not happened...it is true to say a company in which I own shares has a loan with a number of banks and is seeking to restructure the loan," he said Friday.

Saith, was responding to reports in the Trinidad and Tobago EXPRESS newspaper that a loan of 12 million by a consortium of local banks had been written off by 9 million dollars. He explained that Rema Property Development Limited, a company jointly owned by his wife and himself, reached an agreement with Kirpalani's Holdings Limited for the rental of a mall which was subsequently constructed at Cross Crossing, San Fernando.

"The lease was for a period of 15 years. In February 1984, a mortgage deed was signed in the sum of 12 million with a consortium of six financial institutions. These were Fincor and Republic Trustee, TT4 million dollars, NCB Trust 4 million, Algico 2 million, Bank of Commerce Trust 1 million, and Colonial Life Insurance Company (CLICO) 1 million.

"The loan was secured by a mortgage on the property owned by Rema (valued at TT20 million dollars): equity in Rema Property Development Limited of 1.2 million put in by my wife and myself, a guarantee of Kirpalani's Holdings Limited and a guarantee by my wife and myself...after Kirpalani's was placed in receivership (August 1986) the receiver indicated that they were unable to honour the lease agreement," he added.

Saith said that, "given the continued decline in the economy, the company and the consortium began negotiations for a satisfactory resolution of the matter." He said: "Immediately after the elections on 15th December 1991 and on 17 December 1991, I resigned as a director of the company where I had served on the board of directors. This as I am sure you will appreciate was done to ensure that there would be no conflict between my public duties and my private interests. Since the elections, I have taken no part whatsoever in negotiations with the consortium," he remarked.

Responding to opposition calls for his resignation he indicated he had "given no thought to leaving politics and I am hoping that when the facts were made available, people will listen to both sides and make a rational judgement on this is all I can hope for. I have my public

office and I have sought throughout my career to divorce my public office from my private interests and all I can say is that I will continue to do that and to operate at that standard of integrity and behaviour," he added.

Saith said his wife Rhadica had resigned from the board of the Caribbean Communications Networks (CCN's) prime radio. His lawyers had filed a writ against the EXPRESS newspaper which is owned by the CCN. He said a statement of claims would be filed on Monday, but did not elaborate.

Police Seize Forged U.S., Canadian Visas

*FL1712184593 Bridgetown CANA in English 1756
GMT 17 Dec 93*

[Text] Port-of-Spain, Trinidad, 17 Dec, CANA—Trinidad and Tobago police said Friday they had seized forged United States and Canadian visa stamps and

more than 50 genuine and forged passports at the home of a travel agent on Thursday.

A 45 year old travel agent from Chaguanas was detained for questioning and several charges were expected to be laid against him on Friday, the police said. Police also reported seizing stamp pads as well as apparatus used for making passports and issuing U.S. visas.

The raid took place following reports from the of passports being stolen, misplaced or lost in recent times. Police also received reports that U.S. visas were being sold for as much as 10,000 U.S. dollars each to would-be travellers who had failed to get their visa from the embassy.

In many instances, the travellers who bought their visas were not allowed entry to the United States when it was found that their passports were tampered with.

Decree Promulgates NAFTA, Clears Way for Execution

PA2112042593 Mexico City NOTIMEX in Spanish
0034 GMT 21 Dec 93

[Text] Mexico City, 20 Dec (NOTIMEX)—The official newspaper of the Federation today carried a decree promulgating NAFTA. The newspaper notes that the governments of Mexico, the United States, and Canada exchanged notes advising that legal formalities for NAFTA's coming into force on 1 January 1994 have been concluded. It points out that the commercial agreement reinforces the special friendship and cooperative ties between the citizens of the three countries, contributes to greater development and broader world trade, and expands international cooperation.

The publication goes on to say that NAFTA's main objectives are to stimulate fair competition and free trade, increase the number of opportunities for investment in the territories of the signatory countries, and eliminate obstacles in the flow of goods and services. In addition, NAFTA seeks to establish guidelines for additional trilateral, regional, and multilateral cooperation.

The NAFTA text consists of 22 chapters and more than 2,200 articles and includes specific clauses on the trade of goods, technical barriers to trade, public sector purchases, investment, services, and other matters of trilateral interest. NAFTA, which creates a market of 360 million consumers, was ratified by the Mexican, U.S., and Canadian legislative bodies in the last two months of the year.

The promulgation of NAFTA by decree marks the final legal procedure needed to clear the way for putting the trade agreement into effect on 1 January.

Articles Assess Strategies in Light of NAFTA

PA1912042493

[Editorial Report] San Jose LA NACION in Spanish in its 12 December edition, as part of its weekly "Sunday Forum" section, carries several articles by Costa Rican political and business leaders on the recent approval of NAFTA by the United States, Canada, and Mexico.

On page 15A, the newspaper carries a 400-word article by National Liberation Party presidential candidate Jose Maria Figueres entitled "Costa Rica in the Face of NAFTA." In the article, Figueres ponders Costa Rica's response to NAFTA's recent approval. The article notes the NAFTA debate was one of the toughest battles ever witnessed in the U.S. Congress, adding that it was "as dramatic as the Maastricht debate of 1992." The article goes on to point out that the day after NAFTA's approval, "a victorious President Clinton attended the Asia-Pacific Economic Summit," which brought together 15 heads of states. In light of NAFTA's importance, Figueres asks, "What can and should Costa Rica do to face these giants?"

Figueres contends that the more protectionist countries will now be forced to open their markets, especially to the countries of the South. Developed nations will have to soften their positions in GATT's Uruguay Round of trade talks and reduce their high levels of protectionism. Figueres, the son of former Costa Rican President Jose "Pepe" Figueres, writes, "In this way, the world will advance toward Don Pepe's old dream that poor countries receive equal treatment in international markets and that they have the opportunity to sell their products at fair prices."

Figueres argues that Costa Rica should urgently design and implement strategies to help offset a possible migration to Mexico by firms currently doing business in Costa Rica. Figueres also warns about Mexico becoming a magnet for foreign investors, and he points out that comparative advantages enjoyed because of the Caribbean Basin Initiative (CBI) may now be reduced to some degree because Mexico will have the same advantages. Figueres calls for a "diplomatic offensive at the highest level" to ensure that the United States offers all Central American countries the same favorable treatment that Mexico receives.

The article goes on to suggest that domestic businesses streamline production and that the government support producers by bolstering the nation's infrastructure, improving roads, ports, and other essential facilities. Figueres says businesses "should have access to efficient financial and banking systems to allow them access to capital in order to modernize their production systems." He also wants a more competitive Costa Rica, but not one based on neoliberal models that feature cheap labor and "perpetuate poverty." Instead, he calls for increased competitiveness "based on the quality of our products."

On page 18A, the newspaper features another 400-word article by Miguel Angel Rodriguez, the Social Christian Unity Party's 1994 presidential candidate. In his article, Rodriguez makes a number of campaign promises related to NAFTA. He begins by saying that strong leadership, such as the type of leadership he can offer Costa Rica, is key if the nation's economy is going to be integrated into NAFTA. He goes on to say a broad national consensus is necessary to "allow a front to negotiate with the United States, Canada, and Mexico to enable Costa Rica to join NAFTA under the best terms for our workers, consumers, and businessmen." Rodriguez stresses the need for technical support to allow the nation's "best economic team" to meet with U.S., Canadian, and Mexican officials to discuss complex topics dealing with tariffs, investments, copyrights, and so on. He ends by calling the possibility of joining NAFTA "our greatest opportunity and our greatest challenge."

The newspaper, also on page 18A, includes a 400-word article by Samuel Yankelwitz, president of the Chamber of Industries. In his article, Yankelwitz calls NAFTA a "historic decision that marks the start of a new stage in trade relations with the countries to the north." He also sees NAFTA as possibly evening out the CBI advantages

and, under certain circumstances, surpassing them. Yankelewitz believes investment attraction programs must be bolstered with "more and greater incentives for new projects to stem the possible exodus to Mexico of already established investments." Regional countries, according to Yankelewitz, must strive to get CBI benefits to equal those of NAFTA. In the end, Yankelewitz suggests Costa Rica should set its sights on ultimately joining NAFTA.

Page 18A of the newspaper also features a 350-word article by Costa Rican Economy and Foreign Trade Minister Roberto Rojas, who highlights three threats presented by NAFTA: 1) Certain Costa Rican exports, such as textiles, sugar, dairy products, and meat, may be especially hard-hit after NAFTA goes into effect; 2) CBI advantages might diminish; and 3) Costa Rican agricultural products will likely face barriers that NAFTA members will not have to contend with, such as health requirements and technical standards, because NAFTA products will be treated as domestic goods. Rojas adds that, despite these potential threats, Costa Rica must support NAFTA, because the trade pact's approval is a blow against the kind of protectionism embodied by the AFL-CIO and some private interests "that oppose hemispheric trade integration." Rojas also says that, if NAFTA had not been approved, the chances for a successful conclusion to GATT's Uruguay Round, which he calls "an agreement of far greater importance," would have greatly diminished. Rojas adds that he has been encouraging a trade agreement with Mexico and other Latin American countries to help compensate for any future losses.

Export Sector President on NAFTA Position

PA1812143093 San Salvador LA PRENSA GRAFICA
in Spanish 15 Dec 93 p 8

[Interview with Jose Antonio Quiroz, president of the Corporation of Exporters of El Salvador by unidentified reporter; place and date not given—first four paragraphs are LA PRENSA GRAFICA introduction]

[Text] One of the main regional achievements of the past few years, according to the Corporation of Exporters of El Salvador, Coexport, has been the reactivation of the Central American Common Market.

Central American Common Market trade in the 1950's was around \$30 million; in the 1970's it reached \$1.2 billion, but in the past decade it dropped to \$300 million. Trade has presently increased to \$700 million.

With the North American Free Trade Agreement (NAFTA), the region faces a challenge, however, in its natural market, the United States. According to Coexport, 83 percent of the products that are exported under the General System of Preferences [SGP] and the Caribbean Basin Initiative [CBI] are practically lost. Mexico can sell those products to the United States duty free.

Coexport President Jose Antonio Quiroz talks about the position of the Salvadoran export sector on the Central American situation regarding Mexico and NAFTA:

[LA PRENSA GRAFICA] Central America's proposal to achieve trade parity before NAFTA is to negotiate as a bloc, but each country has different fiscal and monetary policies. What can Central America negotiate as a bloc?

[Quiroz] We have regional instruments to negotiate. The Regulation on the Origin of Central American Merchandise is one of them; it is also known as Resolution 6-92, which allows us to avoid conflicts of origin and export triangulation. We also have the Regulation on Unfair Trade and the Protection Clause, rather, Resolution 39-93 from the Central American Tariff and Customs Council.

As for norms, we are quite pleased with two instruments; in addition, we must add that we are GATT contract members. To negotiate a free trade agreement, we cannot forget about GATT.

[LA PRENSA GRAFICA] Mexico has obtained many concessions with NAFTA. Is the region capable of negotiating the same?

[Quiroz] Economic and private sector authorities have their position clear regarding the free trade agreements that are being and will be negotiated, which is to demand a most-favored-nation treatment. Mexico has maintained these positions and has obtained many benefits from them; it enjoys total tariff exemptions.

Coexport is concerned about the exporting sector, which has seen little dynamism. Exports have reached dangerous levels of only 10 percent of the Gross Domestic Product, when the advisable level is above 25 percent.

To review the effects of NAFTA in trade with the countries that are CBI and the SGP beneficiaries we must go over their relations with Mexico and the United States.

[LA PRENSA GRAFICA] How are relations between Central America and Mexico and between Central America and the United States? Which is most favored?

[Quiroz] Trade between Mexico and Central America and Caricom [Caribbean Common Market] is very favorable to Mexico. With the Dominican Republic it is a one-way deal—Mexico is the exporter. Central America faces a trade deficit with Mexico. Mexico exports to Central America 80 percent more than what we export to Mexico.

The United States is our natural market. Sixty-three percent of our total exports goes to the United States, and 43 percent of what we import comes from the United States. Our leading export products are agricultural. We cannot export textiles freely. We export textiles via an agreement with GATT through a quota arrangement called Multifibers [Multifibras]. Mexico enjoys

complete tax exemptions with NAFTA. It has more advantages than the beneficiaries of the SGP and the CBI.

Twenty-five percent of all Central American exports enjoy some type of trade benefit. Of these benefits, 5 percent come under the SGP, 14 percent under the CBI, and 6 percent under the textile quota agreement (Multifibras).

Here is why I do not understand why some Salvadoran (especially) and Central American (in general) labor union leaders ask the United States to suspend the SGP benefits; this goes against the workers themselves. In addition, we are concerned that the United States is trying to use as a pressure weapon a 1971 GATT agreement to promote development.

[LA PRENSA GRAFICA] What is the exporting sector's specific proposal?

[Quiroz] We want the same benefits granted to Mexico to be available to us through the CBI, especially the tariff exemptions. A temporary proposal could be made in this regard at NAFTA (similar to the Gibbons proposal).

As a region, we must study the best way to join the free trade agreement, bearing asymmetry factors in mind. We must continue the free trade agreement negotiations with Mexico.

The most important thing is that El Salvador should not be negotiating alone. There must be a regional effort, and if possible, with the Caribbean countries.

Chamber of Deputies Approves 1994 Budget

PA1912043193 Mexico City XEW Television Network
in Spanish 0435 GMT 18 Dec 93

[From the "24 Hours" newscast]

[Text] The Chamber of Deputies plenum approved the 1994 budget bill by 293 votes in favor and 96 votes against. The PAN [National Action Party], the PPS [Popular Socialist Party], and the PRD [Party of the Democratic Revolution] voted against the budget because they disagree with its economic policies and the discretionary handling of certain budget items.

The authorized 1994 federal government budget amounts to 309.040 billion new pesos. The bill specifies that this balanced budget is to strengthen bases for gradual and sustained economic growth with price stability. Social, rural, and education expenses stand out in the budget's distribution.

The approved draft bill specifies that electoral organizations will be assigned 2.222 billion new pesos for the entire 1994 election process, including the presidential elections.

PRI's Colosio Outlines Government Plans

PA2112025893

[Editorial Report] Mexico City Canal 13 Television Azteca Network in Spanish at 0410 GMT on 19 December broadcasts during the "Elections 94" program a 60-minute live interview with Institutional Revolutionary Party, PRI, presidential candidate Luis Donaldo Colosio by Renward Garcia Medrano in studio in Mexico City.

In response to Garcia's first question, Colosio says he believes in democratic contests. "This means assuming the risks of politics. One can win, but one can also lose," he said. "I do not agree with the attitude of those who praise democracy when they win and reject and attack it when they lose," he noted.

Garcia reminds Colosio that he said he would not accept any illegal votes for him. Colosio responds: "My commitment is with legality and democracy." Later he states "I am prepared to lawfully respect the results of the 1994 elections. We all have the obligation of turning the 1994 elections into exemplary elections. We have the grand opportunity of consolidating Mexico as a democratic, free, more just, sovereign, and independent nation."

Regarding the group of prestigious national observers he has suggested could watch the elections, Colosio said that election results should be made known as soon as possible and that one of the tasks of the group could be to design an information service so that the people can have election results quickly to avoid doubts and suspicion. He states: "I want to be president of Mexico, but I want a clear victory, a victory endorsed by the majority of the Mexican people."

Garcia asks Colosio: "I have noticed that you are almost obsessed with the idea of sovereignty, but we live in a broadened world and we are engaged in a free trade agreement. What is sovereignty? Do we have to redefine sovereignty or is our current concept of sovereignty still valid?"

Colosio explained: "I want to emphasize this point. The sovereignty principles that have applied throughout our history are fully valid: self-determination, non-intervention, and juridical equality among the states. These are principles I will defend if I become president. These principles have maintained our sovereignty. I plan to defend the interests of our country. Principles and interests are important. I have proposed that we turn Mexico into a strategic world center. We have all that is needed to become this center. I plan to develop multiregional relations. We already have NAFTA with the United States and Canada and the free trade agreement with Venezuela, Colombia, and Chile. We have commercial agreements with other Latin American countries. But we have to realize that Mexico is a fundamental and strategic geographic center that is playing its role and that must play it efficiently and efficaciously. I propose strengthening our relations with Europe. We are already negotiating our ingress in the OECD, the organization of the 20-most-industrialized countries." Colosio then explains that "sovereignty means nothing other than defending Mexico's interests abroad and strengthening Mexico's interests at home."

Colosio notes that for an economy to function "it is necessary to have clear rules and conditions capable of giving a sense of security to the various economic agents." Then he states: "I propose to consolidate the economic changes that have taken place and to do it firmly, with the firmness the Mexican people demand. I see in the Bank of Mexico and NAFTA great opportunities to bring more investments, investments would create employment, and employment will bring greater well-being."

Regarding what he would do to improve the economy while keeping inflation under control, Colosio says: "I propose to simplify the paperwork so that national and foreign investments create jobs. I plan to promote strategic sectors of the economy." Colosio then mentions the construction and the housing sectors as important for generating jobs.

Garcia asks Colosio how he is going to make small Mexican companies competitive "in this world that is opening up."

Colosio explains: "If I become president, small businessmen will have in me their best ally." Colosio notes that he plans to provide small and medium businesses with access to credits, to technology, and to the training of workers and reports that he will simplify the paperwork.

Regarding what Garcia calls a diminished middle class, Colosio states: "My objective is to create certainty and to

consolidate economic changes to create more job opportunities, especially for those who have a specialization."

Regarding the elderly, Colosio says he plans to try to modernize Mexico's social security system, but, he said, "I am not going to create false hopes or make demagogic promises." He adds that he plans to carry out, with the support of all the Mexicans, profound social reforms that include social security and retirement services "to benefit those who have worked throughout their lives for Mexico."

Regarding education, Colosio says that Mexico must design an education system that will allow the country to face the new challenges, "a broadened and competitive world." He points out that the technical training level and universal knowledge of Mexican students must match that of students in other parts of the world. "I want to tell you that if I become president, I will continue strengthening education as well as investments in this fundamental sector." Colosio adds: "Technological development must also play an important role and government and private investments should play a most important role in this regard."

Regarding regional development, Colosio notes: "I view development in the various Mexican regions as the means of creating greater justice and equity." He notes

that he views development there as a way of giving more opportunities to the women and men who live in those regions so that they do not have to leave them to seek jobs and opportunities in other regions or in the big Mexican cities, "or worse yet, in other parts of the world, in other countries." He explains: "I propose to review the fiscal contributions of states and municipalities to give these entities the financial basis they need to be able to make the necessary investments in sites where investments are necessary. I also plan to work for the orderly development of our cities."

In his final statement Colosio says: "I want to tell you that I will wage this elections campaign by putting Mexico's interests above personal or group interests. Since I do this for Mexico, it is worth doing."

PRC Reportage on President Salinas Visit

WA1712151593

For PRC reportage on the visit by President Carlos Salinas de Gortari to Beijing, including reports on his talks with President Jiang Zemin and Premier Li Peng, please see the Latin America & Caribbean section of the 16 December China DAILY REPORT and subsequent issues.

El Salvador**Cristiani Discusses Problems in Peace Process**

PA2012235893 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 20 Dec 93

[Report by Silvia Cartagedo from the "Facing the Moment" newscast]

[Text] President Alfredo Cristiani has asserted that the peace accords have made good progress during the year, adding that the problems that have arisen have been caused by a lack of funds and by violence. According to the president, the lack of foreign funds has prevented compliance with certain aspects of the peace agreements, such as the demobilization of police officers and the deployment of the National Civilian Police.

Likewise, President Cristiani said the murders of members of the FMLN [Farabundo Marti National Liberation Front], ARENA [Nationalist Republican Alliance], and Army officers are bad for the peace process, but he again reasserted these are common crimes.

[Cristiani] Thank God, up until now this has turned out to be something less critical than what we may have believed to be at the beginning. In some cases at least, certain theories are being ruled out. Logically, political violence can be a very negative ingredient for the peace process if this were the case. That is what we are attempting to investigate and eliminate.

I believe the election campaign is turning certain events into political issues, and this causes confusion and complicates matters. Hopefully, these topics will stop being used for campaigning. [end recording]

Regarding the offer by the ERP [People's Revitalizing Expression] to find Heleno Castro's killer, the president said that this is not because of police inefficiency; instead, it confirms that the murder of Commander Carmelo was a common crime, just as the government contends.

FMLN Accepts Police Conclusion in Murder

PA2112042693 Paris AFP in Spanish 1806 GMT 20 Dec 93

[Text] San Salvador, 20 Dec (AFP)—On Monday, the former Salvadoran guerrillas accepted the National Civilian Police [PNC] conclusions regarding the murder of a former rebel commander, but insisted the murder was politically motivated. The police attribute the act to a farmer, who remains at large.

During a news conference, guerrilla commander Joaquin Villalobos accepted the police version, which identifies farmer Juan Arnoldo Garcia as the "material" perpetrator of the 30 October murder of Heleno Castro. On previous occasions leaders of the former rebel Farabundo Marti National Liberation Front [FMLN], a political party since the 1992 peace agreement, blamed the crime on the "death squads."

During Monday's acceptance of the police conclusions, Villalobos offered a reward of \$40,000 for information on Garcia's whereabouts, and insisted the case "has its political roots in the existence of powerful local groups, which in the past enjoyed and continue to enjoy protection allowing them to murder anyone." "The investigation was handled well, but we are not satisfied because the criminal has not been captured," stressed Villalobos, who was accompanied by the leadership of the People's Revitalizing Expression Party [ERP], one of five organizations that make up the FMLN. The FMLN will participate in the general elections on 20 March.

According to the investigation, former commander Castro, a member of the FMLN political commission, was riddled with bullets by Garcia during a heated quarrel following an automobile collision on El Litoral highway, southeast of San Salvador. The police arrested Marina Isabel Garcia, a sister of the accused, and charged her with "being a party to the crime."

According to Villalobos, El Salvador is registering an increase in organized common crime, local feuds, and the systematic killing of political leaders by groups in "death squad" fashion. He said the threats received by members of the left wing, and last week's killing of six youths are "acts of terror", aimed at spreading fear and jeopardizing the electoral process. Because of this, Villalobos asked the government for personal safety guarantees.

The Salvadoran authorities have not yet solved the murder of two former guerrilla commanders: Francisco Velis, who was killed on 25 October, and Jose Mario Lopez, who was killed on 9 December.

Deadline Expires for Approving Labor Reforms

PA2112030293 San Salvador DIARIO LATINO in Spanish 17 Dec 93 p 15

[Unattributed article]

[Text] The final deadline established by the Forum for Economic and Social Consensus (FES) to approve reforms to the Labor Code has expired without any definitive or overall agreement. As a result, the possibility of the United States excluding El Salvador from the Generalized Systems of Preferences grows nearer.

In light of the situation, President Cristiani presented to the Legislative Assembly an "interim proposal" of reforms to the Labor Code, in which he claims the issues discussed by the parties are included. Nevertheless, the proposal does not have any conciliatory or mediating qualities as the government wants it to appear. Instead, the document is a government and private sector proposal that outright violates the few agreements reached within the FES, as well as some of the agreements reached with the International Labor Organization. The document undermines current legislation, and, moreover, it deals with matters never discussed, according to labor leaders.

Cristiani has said the proposal eases the procedure for labor union registration, fixes the number of labor union directors, includes some mechanisms to help in arbitration procedures, and so on. Meanwhile, workers have presented a proposal to the Legislative Assembly that contains the 18 points reached by consensus within the FES.

The truth is that at this stage of the game little progress can be expected in the democratization of labor relations. One must wait and see how the proposals are received at the Legislative Assembly. Nevertheless, the way things appear, significant advances are not foreseen in the effort to gain greater labor union rights. The end of the FES seems near with very bitter results.

It is unfortunate that the FES, which was originally founded as an organization to discuss El Salvador's economic and social problems, ended up debating problems related to labor union rights. Within this framework, the only rights that could be discussed were those within the Labor Code and those for private sector employees. The workers slowly lost faith in the FES, and eventually they even had to give up hope for better labor union rights for government workers and other legal procedures they were seeking to reform (by way of the Labor Ministry's Basic Law and the Labor Legal Code). The private sector and government's intransigence prevented even the minimum amount of reform from being achieved.

This could well be the FES' final failure. If so, it is nothing more than a reflection of the unwillingness of the government and the private sector to reach a consensus.

Three Left-Wing Parties Form Election Coalition

PA2112034893 San Salvador Radio Cadena YSU in Spanish 1820 GMT 20 Dec 93

[Report by Balmore Parada; from the "YSU Radio News" newscast]

[Text] The leaders of three political parties officially announced the regrouping of left-wing leaders to take part in the 1994 general elections. The National Revolutionary Movement, MNR; Democratic Convergence [CD]; and the Farabundo Marti National Liberation Front, decided to form a coalition to jointly nominate presidential and vice presidential candidates for the 20 March elections.

MNR Secretary General Dr. Victor Manuel Valle declined the presidential candidacy in order to join the alliance.

[Begin Valle recording] We believe that this decision is a contribution to the unity of democratic forces, which has been our basic political idea for several years. I believe that this honors the memory of heroes and martyrs. I am sure that Hector Oqueli [Revolutionary Democratic Front leader killed in Guatemala on 12 January 1990] and Guillermo Ungo [nominated by the MNR as presidential candidate for the CD coalition in the 1988 elections; died of brain tumor on 27 February 1991]

would have been on our side and their memory accompanies us from a distance. We are sure that the MNR, with its consistent political line, commits itself from this moment on to continue their [Oqueli and Ungo's] role by exercising the social democratic option in El Salvador.

We believe that broadening the coalition with our participation means continuing to insist on a concerted effort for democracy, which we believe is the only alternative that can give the Salvadoran people the possibility to reverse this right-wing process, which goes back a long time in El Salvador. At stake is a historic alternative for El Salvador. It is not a question of placing in power an apparently new party; what is at stake is the reversal of a deep-rooted process—a process that was socially exclusive, politically repressive, that concentrated riches in a few hands, and, foremost, an over exploiter of the people's work force. [end recording]

The coalition parties have decided to adopt a single flag for the presidential election. This flag will include in a single rectangle the symbols of each coalition member. The coalition pact was presented on Sunday to the Supreme Electoral Tribunal in compliance with the electoral law.

Guatemala

President De Leon Confirms Peace Negotiator

PA2012203993 Guatemala City PRENSA LIBRE in Spanish 17 Dec 93 p 2

[Text] President Ramiro de Leon Carpio tonight confirmed Hector Rosada Granados as the government's peace negotiator, despite the criticism that emerged after Msgr. Rodolfo Quezada Toruno's remarks on Wednesday [15 December].

De Leon Carpio denied he has requested the urgent mediation of the United Nations, as reported by the NOTIMEX news agency. De Leon said that for the time being, he is waiting for the first private meeting with the Guatemalan National Revolutionary Unity (URNG).

He said the meeting with the guerrillas might be held in the first days of January to discuss various expectations regarding peace. He said the government is willing to discuss the points considered "negotiable" and to reform the plan presented by Hector Rosada Granados.

He did not rule out the participation of Msgr. Rodolfo Quezada Toruno in the process, indicating that the government and the URNG might agree to give him a specific role. Nevertheless, the president said it would be premature to say he might head the Permanent Forum for Peace.

A Truce Might Emerge

De Leon Carpio said the government is willing to reach a truce, but everything depends on whether the guerrillas accept it. "We hope this will be so for the end of the year, because for our part, we have no objections," the president stressed.

He Respects Msgr. Quezada's Statements

The president stressed that he respects Msgr. Rodolfo Quezada Toruno's statements, because like the prelate, he is concerned that there is no peace in Guatemala. The president added, however, that with the peace plan, they are sure an agreement will be reached to end 33 years of armed confrontation.

Announces Resumption of Talks

PA2112020693 Panama City ACAN in Spanish 0105 GMT 21 Dec 93

[Text] Guatemala City, 20 Dec (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio today announced that his government and the Guatemalan National Revolutionary Unity [URNG] will meet in January.

In a national radio and television network speech, de Leon assessed the achievements his administration has made in the six months and two weeks that have elapsed since he replaced deposed coupist President Jorge Serrano in June. De Leon took advantage of the speech to wish his fellow countrymen a merry Christmas.

He announced that the first meeting since last May between an official mission and the URNG will take place in January, but he did not go into detail. In Mexico, the guerrillas have denied the existence of an agreement with the Guatemalan Government to hold any secret meetings to discuss conditions for renewing the talks that were suspended in May. Meetings between the two sides are supposed to be promoted by the United Nations with the consent of the two sides, which have been waging a civil war since 1960.

Says Rights Violations Continue

PA2012184893 Guatemala City Teleonce Television in Spanish 0400 GMT 17 Dec 93

[From the "Telepress" newscast]

[Text] President Ramiro de Leon Carpio has mentioned observations made by various nongovernmental organizations that human rights violations are continuing in the country.

[Begin de Leon recording] When I spoke with Dr. Monica Pinto [not further identified], I told her that human rights problems do continue to exist.

We are waiting for final reports from the office of the human rights ombudsman, which is the institution charged with releasing reliable information. It has the organization and resources to make an analysis and issue information. We are waiting for its report at the end of the year, but I can assure you that, quantitatively speaking, we have undoubtedly improved. Quantitatively speaking, one sees the results of the efforts we have made, especially in the last six months of the year. Dr. Monica Pinto has recognized this; nevertheless, this government is not only interested in the quantitative aspect but also the qualitative aspect.

The objective of this government is not only to improve quantitatively and have our efforts be recognized but to have Guatemala recognized at the end of our administration as a country in which human rights are absolutely respected, especially individual rights, because collective economic, social, and cultural rights are something that is more difficult; in fact, they are not respected completely anywhere in the world. I say this, because the efforts that are being made must be recognized.

We admit that problems do exist; unfortunately, an armed confrontation still exists and it means—as we agreed with Dr. Monica Pinto—that it is the main cause of the violation of individual human rights. I always stated this when I was human rights ombudsman, and the current human rights ombudsman has also stated this. [end recording]

President de Leon Carpio also expressed concern about anonymous death threats against Human Rights Ombudsman Jorge Mario Garcia Laguardia.

[Begin de Leon recording] That is unfortunate, extremely unfortunate. We condemn this—come from where it may—because the ombudsman's office.... [pauses] Any death threat again... a journalist, lawyer, doctor, soldier, sociologist, or anyone is condemnable from any viewpoint. Unfortunately, it has become usual practice to commit such a criminal action, because these are criminal actions. We deeply regret such threats against the human rights ombudsman. He knows he has all of our support, the total support of the government. In previous occasions, when such problems have emerged, he has received our support and we have immediately placed ourselves at his disposal. That is what we are doing at this time. I deeply regret and totally condemn such threats. [end recording]

*** Economic Integration Protocol Signed**

94CA0049B Guatemala City DIARIO DE CENTRO AMERICA in Spanish 2 Nov 93 p 2

[Excerpt] In the presence of the highest officials of the Guatemalan Government and members of the presidential delegations, the six presidents of the Central American republics signed the Protocol to the General Treaty for Central American Economic Integration, in the Reception Hall of the National Palace at midday on Friday, 29 October 1993.

Signing the protocol were Guillermo Endara, for Panama; Rafael Angel Calderon, for Costa Rica; Violeta Barrios de Chamorro, for Nicaragua; Jose Leonardo Callejas, for Honduras; Alfredo Cristiani, for El Salvador; and lawyer Ramiro de Leon Carpio, for Guatemala. They turned over the documents to their respective ministers.

Shortly afterward, the president of Guatemala, lawyer Ramiro de Leon Carpio, delivered an address in which he described 29 October 1993 as a historic day in which the countries emerge as a unit to face the challenges of the new economic world order, where "only unity provides the strength to compete economically in the world."

The president of Guatemala said that the signing of this protocol occurs on a day that should be recorded as historic for the countries of the Central American region, in that "our governments have achieved, with a combined effort, the signing of the Protocol to the General Treaty for Central American Economic Integration."

Lawyer Richard Aitkenhead, minister of finance of Guatemala, said that the signing of the Protocol to the General Treaty for Central American Economic Integration "is a positive step to prepare Central America to be able to take part in the future in the North American Free Trade Agreement."

The Guatemalan official said that from this moment there is free movement of products within Central America, except for a short list of items, such as derivatives of petroleum, coffee, flour, and a few others, but studies are in progress to correct this situation so that these products will also be able to move freely.

"Accordingly," he said, "procedures are under study to increase compatibility in taxes, currency, and the movement of products and factors of production."

"For all Central Americans," said lawyer Ilsa Diaz Zelaya, ex-president of the Central American Parliament, "the signing of this Protocol to the General Treaty for Central American Economic Integration represents a step forward into a new era, in which Central America is getting ready to compete as a bloc on American and world levels."

"The fact is that other commercial blocs are being organized in the world," she continued. Therefore, the signing of this protocol updates the Treaty of Integration that was signed 30 years ago, so that it is in tune with current commercial conditions. [passage omitted]

* Proposed Bill Doubles Presidential Funds

94CA0049A Guatemala City EL GRAFICO in Spanish
14 Nov 93 p 7

[Text] The Budget Bill for Revenues and Expenditures for fiscal year 1994 doubles the budget for expenditures for the Presidency of the Republic to exactly 714,774,772 quetzales [Q].

For fiscal year 1993, which is about to end, the budget for the presidency amounted to Q393.4 million, which means that this amount was doubled for 1994, that is to say it increased by Q321 million to reach a total of Q714.7 million.

The 1994 budget bill, which was described by President Ramiro de Leon as "austere," has grown by more than Q900 million, and its principal sources of revenue are bond issuances for more than a billion quetzales.

The foregoing can be verified by comparing the two budgets: total budgeted expenses for 1993 were Q7.9455 billion, while the total for 1994, if the budget is approved, will be Q8.8506 billion. However, Congress will see the bill, which

will be forwarded by the Finance Ministry, when the constitutional reforms have been approved.

Article 35 of the Budget Bill for Revenues and Expenditures will eliminate the Ministry of Development, although total rejection is already evident.

"In accordance with the policies of austerity, rationalization of public expenses and administrative reorganization of the state, the Ministry of Urban and Rural Development is eliminated, effective 1 January 1994," the bill states.

The Two Sides of the Coin (in millions of quetzales)

	1993 Budget: Total expenditures: Q7.9455 billion	1994 Budget: Total expenditures: Q8.8506 billion
Congress	Q53.6	Q60.5
Presidency	Q393.4	Q741.7
Judiciary	Q100.1	Q77.9
Government	Q237.4	Q267.5
Defense	Q634.1	Q591.9
Finance	Q2,874.9	Q3,508.8
Education	Q1,135.5	Q1,236.3
Health	Q700.0	Q707.5
Communications	Q1,128.0	Q1,916.2
Culture	Q62.2	Q64.7
Labor	Q16.3	Q32.6
Economy	Q36.4	Q37.4
Foreign Relations	Q85.4	Q92.7
Attorney General	Q26.5	Q25.5
Comptroller	Q27.9	Q29.6
Development	Q158.9	—

(Information obtained from the 1993 and proposed 1994 Budgets)

* Organization Created To Defend Mayan Rights

94CA0049C Guatemala City SIGLO VEINTIUNO in Spanish
20 Oct 93 p 6

[Text] The Organization for the Defense of Mayan Rights was created by agreement among the 14 indigenous peoples, due to the fact that they are not recognized by the Guatemalan state or society, according to the president of the coordinating commission, Juan Leon.

The indigenous peoples constitute a majority of the poorest part of the country's population that is suffering from the inattention of the state, which has allowed them to subsist in neglect, he said.

"In the halls of justice, the court secretaries throw our documents into the trash and make us sign documents without acknowledging our rights, because the documents are in our own languages," he stated.

"Justice has not been applied in the courts," he continued, "against those who are responsible for human

rights violations. There are hundreds of examples of violations that have gone unpunished. Our sons are recruited by force."

The emergence of our defense organization, he said, is due to the need for an instrument that teaches, studies, defends, and seeks recognition of our rights as Mayan peoples, and that defends the human rights that all Guatemalans possess.

"The organization consists of a network of volunteers for Mayan rights in the villages and cantons, and a network of committees and commissions on human rights and Mayan rights at the municipal level," he explained.

The Mayan Defense Organization is autonomous, and its activities will be determined by the ideas, experience, and work of Mayan rights volunteers in villages, and of the committees and commissions at the municipal level. The organization will cooperate with international human rights institutions and organizations.

* Guerrilla Attacks Continue, 4 Dead

94CA0049D Guatemala City PRENSA LIBRE in Spanish 10 Oct 93 p 43

[Text] It was announced last night that a total of four dead, including an unidentified guerrilla, and 25 wounded, was the outcome of armed clashes during the past week between members of the Army and guerrillas in the township of La Reforma, San Marcos.

The clashes ended yesterday, but when the Army tried to reach the rebel camp, the soldiers realized that the ground was completely mined with unexploded projectiles from ground fire and aerial bombs. Although many of these were deactivated, others remain that will endanger the lives of the peasants who will have to work on the land, it was reported.

At first, elements of Volunteer Fire Fighting Company number 68 of La Reforma brought in several soldiers with gunshot wounds from the mountainous area of Sacuchum hill, between the Canopa and Ixtal Rivers, and the Oriflama and Igualdad ranches, located north of the seat of the township.

Units of the Red Cross and the Municipal Fire Department of Coatepeque, Quetzaltenango, also helped to bring the bodies of soldiers Alejandro Ixcoy Zacate and Jeremias de Leon Velasquez, both 20 years of age, and of an unidentified rebel, to the IGSS [Guatemalan Social Security Institute] hospital and later to the morgue at the Coatepeque regional hospital.

Residents of La Reforma said that in recent days the village had been the scene of rebel activity that created an atmosphere of fear and anxiety among the inhabitants.

They also said that the relief organizations spared no effort and went into the mountains to bring in the dead and wounded.

Honduras

Callejas, Reina Discuss Change of Government

PA2012122293 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 15 Dec 93

[Interview with President Rafael Callejas and President-elect Carlos Roberto Reina by station reporter Cristobal Saucedo, following a meeting between Callejas and Reina to discuss the change of government; at the home of Reina's brother Jorge in Tegucigalpa on 14 December; from "The Morning Paper" newscast—recorded]

[Text] [Saucedo] What has been discussed, sir?

[Callejas] First, allow me to thank Jorge Arturo Reina and his family for their hospitality. They were kind enough to allow us to enjoy the company of President-elect Carlos Roberto Reina in such a historically important event. Following the election, we have established a transition system that will allow us to attend and keep the president-elect updated on matters of government in order for him to have the necessary information for when he must make certain decisions.

We have discussed a wide range of topics. I have tried to give him all the necessary information regarding the acts of government and the alternatives before him. We have discussed the budget issue in great detail. On this we have decided to make certain joint decisions before sending proposals to the Congress. This way we will prevent any action regarding the management of the 1994 budget, as decided by Mr. Reina, that could be interpreted as unnecessary or that could affect the president-elect's administration.

We extensively discussed issues ranging from human rights to judicial matters. I am pleased to have had this time with Mr. Reina, as I said before. He won the elections, and therefore I congratulated him then and am doing so again now. I have offered my cooperation to enable the transition period to be as swift and precise as possible for the benefit of the Honduran people and their interests.

[Saucedo] Mr. President, you said you will submit a proposal to Congress tomorrow designed to carry out a referendum or plebiscite [words indistinct]

[Callejas] The issue has been discussed at another level. I have made no commitments regarding this matter. Mr. Reina told me that there was a news conference at the National Defense Council, where the issue was discussed. It was not a major topic of our meeting here.

[Saucedo] Mr. President, in what condition are you handing over your administration to Carlos Roberto Reina? Are you leaving him an economically healthy country or a country in debt?

[Callejas] The answer to that question will be subjective, and obviously everyone will analyze the situation as he or she sees fit. Nevertheless, I have agreed with Dr. Reina to openly provide all information that will allow him to make

decisions according to his government program and to conveniently develop his political platform.

[Sauceda] President Callejas, during the transition period, what is most on your mind now that you are about to turn over the government to Dr. Carlos Roberto Reina?

[Callejas] I would like him to know and to be aware that whatever decision I am about to make, it is intended to help the Honduran people. In addition, I want him to know that I would be unable to make any decision that would place unfavorable conditions on his administration. I have informed Dr. Reina of everything that has to do with economic and political decisions still pending by my government. In turn, he is free to make any decisions he deems fit. In other words, in accordance with my personal philosophy, I have no intention of leaving any traps for Dr. Reina. Obviously, he is the president elect, and he has his own government platform. In this respect, he will make decisions in accordance with the proposals he has outlined. At any rate, I am in no way interested in taking any action that may compromise his government.

[Sauceda] Mr. President, is there any truth to the reports concerning the approval of 100 million [currency not specified] for public employees, or that this government supposedly has signed some kind of an agreement with international financial institutions to create a tax?

[Callejas] The reports are true as far as they refer to the public employees. As I already informed Dr. Reina, the reports refer to allotments already included in the 1994 budget. In terms of the international financial institutions, negotiations are still under way. I even told the new president that the government had recently completed negotiations for the World Bank to disburse \$43 million without any conditions during 1994, because the budget calls for 500 million lempiras which must originate from external sources.

[Sauceda] What commitments have you, as outgoing president, and Dr. Carlos Roberto Reina, as the president elect, made?

[Callejas] We have agreed to maintain the friendship which has joined us throughout the years, as well as guarantee that my conduct toward his administration will be based on good faith and goodwill.

[Sauceda] In terms of the national budget, what decisions have been made? Will you only approve part of it, considering that you only have a few days left as president?

[Callejas] We have agreed that there will be an executive agreement to regulate the budget approved for 1994. This will be discussed by Jorge Arturo Reina and National Congress President Rodolfo Irias Navas.

[Sauceda] Mr. President, how about the Armed Forces' budget?

[Callejas] The budget includes an increase in the National Police salary that totals 274 million lempiras. The money is available, and Dr. Reina has been informed that the budget increase is a result of the 30 million [currency not specified] granted to the public security forces.

[Sauceda] Mr. President, does that mean there will be an increase in the number of police officers?

[Callejas] No, it only means that salaries were increased for all police officers.

[Sauceda] Is there any message you would like to send the Honduran people before we talk to President-elect Carlos Roberto Reina?

[Callejas] Throughout my term, I have always conducted my affairs in good faith and goodwill. My decisions have always been oriented toward modernizing the Honduran state. The Honduran people exercised their vote freely and elected Dr. Carlos Roberto Reina, and I respect the people's decision.

[Sauceda] Dr. Carlos Roberto Reina, you are the new president elect. What other issues, besides those mentioned by President Callejas, did you discuss?

[Reina] First, I would like to salute and thank you for your presence here at this historic time where we are all honored by President Callejas' presence. We have always had a friendly relationship with the president of the Republic and always received cordial treatment from him even before [words indistinct]. I plan to offer similar treatment to the president.

We have been able to assess the public administration, and President Callejas has been quite explicit. In addition, if there are any doubts, we have agreed to meet again to go over the issues. The objective is to make the transition from one party to another as easy as possible. We must congratulate ourselves, because this far-reaching and significant event is taking place in a very civilized manner.

We have heard the people's mandate, and President Callejas and I are carrying it out. We discussed various issues, but primarily the national budget. Tomorrow there will be resolutions adopted at the National Congress. During the month of January there will no more uncertainties or surprises, because we have gone over the issues. This has served to improve relations between both administrations and both parties even more.

[Sauceda] Considering that we are transferring power from one party to another, are there any problems involved?

[Reina] Problems? No, there are only some details that need going over.

[Sauceda] What details?

[Reina] For example, we could mention the executive branch personnel and candidates to sensitive positions. We must discuss all of this, and President Callejas has provided tremendous insight. I am quite satisfied with our talks. We also discussed the plebiscite and the referendum. I recently spoke before the Bar Association and also stated my opinion before the Higher Defense Council, with respect to some institutions being [words indistinct]. Before the elections, I never accepted this because there had been reports that they would try to reform the Constitution and that politically...

[Sauceda, interrupting] Yet, it can also be reformed now, not only because the elections have concluded.

[Reina] No. There is an agreement between the political parties that gives the people another opportunity to express their will through these so-called semi-direct institutions.

[Sauceda] What other liberal party will approve this plebiscite or [words indistinct]? The reforms that will be included are [words indistinct].

[Reina] [Words indistinct] is to incorporate these new institutions as I mentioned in my Bar Association speech. I said it would represent great progress in our constitutional law.

[Sauceda] Do you plan to consult the people when it comes to very important issues affecting the majority [words indistinct]?

[Reina] Of course. The Honduran people will be looking forward to such consultations. Participative democracy will be strengthened through this semi-direct democratic process. It is not just a matter of having to wait for four years to vote. Instead, the people will be able to directly voice their opinion on national issues that affect them.

[Sauceda] When will you start agreeing with the initiative, right now, today, or once you are in power?

[Reina] That depends on what Congress decides. In my opinion, it should begin with the next administration, as I have already stated in my Bar Association speech.

[Sauceda] Does this also include reforming several articles of the Constitution, which some consider permanent and unchanging, while others believe it should be flexible and that no constitution should be rigid?

[Reina] Once again we return to discussions on [words indistinct]. I do not agree with modifying it, and I will continue to believe this as result of my professional training as a lawyer, my political development, and my constitutional convictions.

[Sauceda] Then how can you say that other liberal parties will support this initiative in Congress tomorrow?

[Reina] They will have to decide on their own tomorrow. Nevertheless, they already know my position, which has

been well known for some time now and because I repeated it at the National Defense Council.

[Sauceda] [Words indistinct]

[Reina] I do not believe that it is going to be proposed in that manner. What you have stated is a hypothesis. The people can be asked for advice on numerous far-reaching and significant issues when the time comes. During the next Congress, the Liberal Party of Honduras, which must never become divested of human spirit, will have a significant majority. Every majority bloc, however, still needs to have sound arguments when defending its position.

[Sauceda] Dr. Reina, do you agree with the creation of an attorney general's office and for the Criminal Investigations Department (DIC) to be under the control of a civilian, as outlined in the organization decree?

[Reina] I fully agree. Nevertheless, I do hold some reservations with respect to the definition of the term civilian. In other words, is a retired military officer considered to be a civilian or not? I personally believe that a retired officer is a civilian. That is the way I interpret it. It would not be appropriate to take away someone's rights to hold a post.

[Sauceda] [Words indistinct] retired military officer could occupy the position of DIC director, but not an active officer?

[Reina] If the candidate is an active officer, he is not a civilian and, in turn, is constitutionally barred from occupying certain public offices.

Nicaragua

UNO Urges Campaign for Constituent Assembly

PA2012221293 Managua Radio Nicaragua Network in Spanish 1100 GMT 17 Dec 93

[Text] On 16 December the parties that make up the National Opposition Union, UNO, called for a nationwide movement to demand elections for a constituent assembly that will draft and approve a new constitution. The seven parties comprising UNO issued a statement urging the Nicaraguan people to mobilize and demand a national constituent assembly.

The UNO communique stressed: We urge our people to participate in a massive popular mobilization campaign to collect signatures from citizens at seminars on the national constituent assembly and other civic actions we will carry out beginning in January. These actions will continue until a constituent assembly is convened.

Gen Ortega Rejects Tripartite Commission Report

PA2112040093 Managua BARRICADA in Spanish 20 Dec 93 pp 1, 14

[Text] General Humberto Ortega, the Nicaraguan Army commander, on 17 December described as "biased and

vengeful" a report that the Tripartite Commission passed to President Violeta Chamorro.

In a public letter addressed to officers, NCO's, and enlisted men of the Sandinist People's Army [EPS], Ortega said: "This biased stand by the Tripartite Commission is due mainly to the fact that its members have been unable to get rid of the political climate of polarization and revenge and the continuous pressure of U.S. Government officials on the Nicaraguan Army."

After investigating 22 instances where former Nicaraguan Resistance [RN] members and Sandinist soldiers died under diverse circumstances, the Commission reached the conclusion that "there is a negative EPS stand" on clarifying the events.

In most of the 12 cases where former RN members were killed, the Commission reported that EPS and military supervisors are accessories and guilty of slippups.

In the letter Ortega reported on "the hatred and submission under foreign pressure" expressed in particular by Deputy Foreign Minister Jose Pallais, Nicaraguan Government representative. Ortega says that, as an honorable soldier, he rejects the Commission's charge that some officers and NCO's are "accessories and promote crime." He argues that, quite on the contrary, the institution that he leads has been trained to protect the people, particularly peasants and producers. In his letter, Ortega advises the former RN members not to let themselves be manipulated "by those who are interested in maintaining a confrontation for profit."

Pallais, in turn, expressed surprise over what he described as "a violent reaction to a report that presented duly checked out facts only." Consulted at his Leon home last night, Pallais said that nowhere in the Commission's report is the EPS accused of acting as an accessory and stimulating crime, as Ortega says in his letter. "I insist that the Criminal Law must be amended completely," Pallais said. We think this report should be studied by the Army "with the seriousness that marks it before a serious opinion can be voiced," he added.

Finally, Ortega's public letter calls on the Tripartite Commission members "to act objectively and impartially on behalf of the country's interests and justice."

Pallais said that every public official should be willing to listen to criticism and answer in a civilized manner.

Lieutenant Colonel Denis Moncada, military supervisor director, told BARRICADA on Friday that every one of the cases mentioned by the Commission had been investigated twice by his office and that the office's findings were confirmed when the responsibilities mentioned in the report were not checked out. At the time, Moncada admitted that the Provisional Military Crime Law must be amended and that a draft for these reforms already exists.

Army Successfully Protecting Coffee Harvest

PA2012215993 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 17 Dec 93

[Report by Erica Ramirez from the "National" newscast]

[Text] According to Major General Joaquin Cuadra Lacayo, chief of staff, the Army has had some success in protecting the coffee harvest, as evidenced by information gathered in meetings of farmers and Army members. More information will be available in a few days.

[Begin Cuadra recording] Before the year is over, we will wrap up the official report with all the statistics and data. I can tell you that the balance is positive because progress has been made in terms of disarming civilians and dismantling irregular groups. [end recording]

The ranking officer noted that there has been no specific charge of abuse by the troops in their actions. He said that charges have been made by relatives of 3-80 Northern Front members who are engaging in criminal activities.

[Begin Cuadra recording] Some relatives of individuals who are still armed [words indistinct] and so forth for the purpose of curbing the actions of the Army, which is constantly pursuing them and dealing blows to them. That is why they are trying to put up a smoke screen. [end recording]

In Cuadra's opinion, the development of plans for intensive legal education and the conditions under which the troops operate prevent them from committing abuses.

[Begin Cuadra recording] I do not think [word indistinct], because the troops go properly equipped and are properly fed. They are not asking for food or taking food or cows, pigs, or chickens away from peasants. As one can expect, that has allowed us to have better rapport with the peasant population. [end recording]

He stressed that anyone committing any kind of abuse will be duly prosecuted.

* Low Turnout for Atlantic Coast Elections Explained

94P20149A

[Editorial Report] Managua LA PRENSA in Spanish of 6 December 1993 on page 16 reports that Bluefield residents expressed "little enthusiasm" during voter registration held on 5 December for the elections for governor, mayor, and council members to be held in the Atlantic Coast in 1994. Some residents told a LA PRENSA reporter they did not know who the candidates were, while others expressed apathy because "politicians, once they gain power, do not care about the people." According to the article, "nine political parties, a conservative alliance, and five political organizations," are seeking to win elections. The article reports further that the Democratic Coastal Association (Adeco), the Constitutionalist Liberal Party (PLC), and the Sandinist National Liberation Front (FSLN) have led the most effective campaigns thus far. OAS-CLAV [International Support and Verification Commission] officials hope that registration turnout will improve over the next two Sundays.

Argentina**Menem: Funds To Continue To Be Transferred to Provinces**

PY2012190293 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1400 GMT 20 Dec 93

[Text] Buenos Aires, 20 Dec (NA)—President Carlos Menem said today that the national government "will continue to punctually send the funds and aid that are committed to the provinces."

Menem said social peace will be guaranteed, "provided national government objectives are fulfilled concerning the reorganization of public administrations."

The president made these remarks in a news conference at the Government Palace press hall.

Tucuman Governor Views Santiago del Estero Crisis

PY2012142493 Buenos Aires LA PRENSA in Spanish
18 Dec 93 p 10

["Exclusive" interview with Tucuman Province Governor Ramon Bautista Ortega by reporter "O.T." in Tucuman; date not given]

[Excerpt] [Passage omitted] [LA PRENSA] Just a few kilometers from here, the people of Santiago del Estero demonstrated against their government. What do you think of that event?

[Ortega] I view it with profound sadness, not just as an Argentine but also as a resident of this region. It makes us look bad. I cannot recall a disturbance of this kind in our history.

[LA PRENSA] The concern is that the people were against all politicians, regardless of their party. Can this lack of confidence in the leadership be serious?

[Ortega] I believe there should be a serious investigation of the Santiago del Estero case. I believe the demonstration exceeded a show of impatience by people complaining about bad administration. In other words, I believe people who had nothing to do with the concrete problem of Santiago del Estero were involved. I believe there was some manipulation and this is why this event should be quickly clarified.

[LA PRENSA] A group of pensioners demonstrated outside this government house at noon today which, unfortunately, is being done throughout the country. Several times in their slogans they threatened that Tucuman will follow the steps of Santiago del Estero. How do you view this?

[Ortega] I would first like to clarify that the pension system is not provincial but national and that the demonstrations have political connotations. The situation here can never be compared with Santiago del Estero. We are paying salaries on time, we have not dismissed a

single public employee, and no one was left without work as a result of the recent adjustments. Furthermore, we will start paying the Christmas bonus on 20 December. This is what I wanted to clarify, so please do not misinterpret me for saying that I am not concerned. The problems affecting Santiago del Estero do not exist in Tucuman. We have not allowed anything similar to develop. You can be sure that nothing will happen here despite what one group says. There is not one single symptom to indicate that the problems of Santiago del Estero can develop here.

Cavallo on Crisis

PY2012213093 Buenos Aires CLARIN in Spanish
19 Dec 93 pp 8-9

[Interview with Economy and Public Works Minister Domingo Cavallo by Marcello Bonelli; place and date not given]

[Text] [Bonelli] What is the political significance of the unexpected election of Juan Schiaretti as trustee of Santiago del Estero?

[Cavallo] It means that there are no changes in government policy, and especially no changes in economic policy matters.

[Bonelli] Notwithstanding the criticisms and the incidents in Santiago del Estero, will there not be any change in the objectives of the economic policy?

[Cavallo] I am convinced that a change in economic policy would create the true risk of social conflict. This is the only plan that guarantees social peace.

[Bonelli] But not everyone thinks that way. Former President Raul Alfonsin, for instance, was very direct in saying that the adjustment policy has led the provincial economies to a crisis, and that such a situation is the cause of the social unrest in Santiago del Estero.

[Cavallo] Alfonsin is thus setting a line of opposition to the position of the government of Carlos Menem, which is one that will create more confidence in Argentine investors. If that is the line of opposition of the Radical Civic Union [UCR], it will become much easier for the Justicialist Party to win the elections.

[Bonelli] Does Alfonsin seek to overthrow you?

[Cavallo] I do not know what he wants. For me, he is making a great political mistake. The people will not believe in him if he says that what happened in Santiago del Estero has to do with the economic policy.

[Bonelli] Eduardo Angeloz is demanding more money for the provinces. And he said that this must be decided by the Constituent Assembly.

[Cavallo] Angeloz is also mistaken. He wants to resolve his province's deficit through a constitutional reform. This would be very dangerous, because Angeloz would thus open up an economic discussion like that in Brazil.

[Bonelli] Are there those who believe that what happened in Santiago del Estero is similar to the "Cordoba incident" ["Cordobazo"] [in May 1969 against President Juan Carlos Ongania]?

[Cavallo] I would say that the difference is that Menem is not Ongania, and that this is a democratic government. In a different sense there could be a certain similarity.

[Bonelli] In what sense?

[Cavallo] It has been proven that the "Cordoba incident" was something that did not displease General Alejandro Lanusse, who was chief of the 3d Army Corps.

[Bonelli] This is serious. And today?

[Cavallo] There must be some people who are happy with what happened in Santiago del Estero. We must identify very carefully who is the ideologist behind those 50 gang members who acted in Santiago del Estero.

[Bonelli] Who are they? Are they in the government?

[Cavallo] I have some information that I have already submitted to the security organizations for the investigations. I have already informed Menem, and Governor Lobo also knows about it. For the time being, I do not want to publicize it.

[Bonelli] Monsignor Justo Laguna has said that Cavallo is more interested in the accounting balance than in human lives. What do you say?

[Cavallo] Laguna should meditate more on the gospel instead of talking about the economy, about which he has demonstrated that he know nothing. Laguna's absurd descriptions clearly show his intellectual incapacity.

[Bonelli] The Pope has told President Menem that "the adjustment must be equitable."

[Cavallo] I do not see the Pope's position as a criticism. The Pope said it to him in praise. There are very few cases in the world of plans as successful as these.

[Bonelli] Doesn't the Pope's concern imply support for the bishops who criticize the social impact of your plan?

[Cavallo] No. It is absolutely different. The Pope speaks in favor of the meek and unprotected. This economic policy tries to defend them. Inflation was giving money to the rich and was taking it away from the poor; the economic and social plan's guidelines are benefiting the poorest ones. The way the people have been voting has demonstrated this.

[Bonelli] Did you threaten to resign on Friday?

[Cavallo] No. Absolutely not. I never threaten the president. I have full confidence in Carlos Menem.

[Bonelli] Why did you veto the idea to appoint Julio Araoz as trustee of Santiago del Estero?

[Cavallo] At one point Araoz asked for a certain amount of money, which cannot be given. Santiago del Estero must be administrated with the resources which were agreed upon previously.

[Bonelli] Do you think that some sector of the Menem administration wanted to take advantage of what happened in Santiago del Estero to move against you?

[Cavallo] The economic plan is Menem's, not mine. Menem has great conviction. Within the government no one can expect a change in direction.

[Bonelli] Is the designation of Schiaretti a victory for Cavallo over those who want to moderate the adjustment?

[Cavallo] Until last Thursday the names proposed were those of Araoz and of Luis Prol. I proposed the name of Prol. When Menem got off the plane he added Schiaretti's name.

[Bonelli] Isn't it because of something else that you wanted Prol? Schiaretti endorses Cavallo's policy, but now you take on more responsibility.

[Cavallo] In the government, we all work as a team.

[Bonelli] Will there be additional funds for Santiago del Estero and the rest of the provinces?

[Cavallo] Everything will be done pursuant to what has been provided for in the budget. We may reallocate those resources for special needs, but this should always be linked to a lasting and definite solution to the problem.

[Bonelli] Will more money be granted only if there is a greater adjustment?

[Cavallo] I do not like the word adjustment. What we seek is for the interior to grow.

[Bonelli] It is said that the reduction in production in the interior is the reason for the crises in the provinces.

[Cavallo] I do not understand that theory. How can people talk about a production crisis if the country has grown an average 8 percent? This percentage was surpassed only by China and Taiwan.

[Bonelli] The representatives of regional economies, however, maintain that they are shrinking. Why not admit it?

[Cavallo] I maintain that we are growing. There are companies in the interior that want to grow but cannot find the personnel to do so, while municipal halls are paying people a salary to do nothing.

[Bonelli] You say that the solution in the interior is to create job opportunities. Then you admit that that is the problem: the lack of job opportunities for the people in the provinces.

[Cavallo] The provinces must reorganize the public sector and allow people to go to work in the private

sector. They must also reduce their taxes. Not do as Rio Negro Governor Massaccesi does, who recently increased all taxes.

[Bonelli] It is obvious that the provinces are oversized and badly administered. But people are told that either their salaries will be reduced or they will be dismissed.

[Cavallo] We are not exerting pressure on the people; we want to exert pressure on the leaders.

[Bonelli] The provincial leaders earn \$20,000. What pressure, what worries can they have?

[Cavallo] This cannot continue that way. Those salaries must drop. Many provinces are plagued by corruption and impunity.

[Bonelli] But let us talk about concrete situations. What do those people who lose their jobs in La Rioja or Santiago del Estero do?

[Cavallo] You said it. We talk about the bonus to create job opportunities.

[Bonelli] The problem of the people in Santiago del Estero is: What will they eat today?

[Cavallo] That is what the media say. The truth is different. The truth is that the Santiago del Estero leadership is corrupt.

[Bonelli] Twenty provincial banks are in the red.

[Cavallo] I do not want to talk about that subject. It is very irresponsible to talk about banks with problems.

[Bonelli] Look here, the leaders who led those banks to bankruptcy, or left them in the red, are irresponsible.

[Cavallo] We are supervising the banks to avoid any problems. To prevent them from deceiving the clients.

[Bonelli] In your opinion, what provinces must make an adjustment?

[Cavallo] I am not going to mention any names. Each governor knows. What they must bear in mind is that Argentina is no longer a "junk shop" where it makes no difference what is what. Whoever is responsible for mismanagement will have to suffer the consequences.

[Bonelli] Are the social revolts in the interior part of the price we must pay, and endure, in order for the economic plan to function?

[Cavallo] What price are you talking about? It is all due to the media's incapacity to see reality. It is quite amazing. The real Argentina is quite different from the one depicted by analysts.

[Bonelli] You are a well informed person. You are not going to put the blame on the media. You must have seen the looting and cruel scenes in Santiago del Estero. This is no story.

[Cavallo] I am not putting the blame on the media. All I say is that the media are incredibly shortsighted. I think most journalists have no common sense. Neither the investors or the citizens believe the analysts.

[Bonelli] Radicals and Peronists say you are against the political agreement. Do you believe it will jeopardize the economy?

[Cavallo] No, quite the contrary. It clears the horizon. There is a consensus. All that worries me is the discussions regarding coparticipation in the Constituent Assembly. It may jeopardize the fiscal balance at a federal level.

Menem Orders Investigation

PY2012190093 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1332 GMT 20 Dec 93

[Text] Buenos Aires, 20 Dec (NA)—President Carlos Menem today ordered an investigation into the "sort of sedition" that took place in Santiago del Estero last week, to "find the instigators and perpetrators" of the disturbances.

Menem said the incidents "were not prompted by hunger or unemployment" in Santiago del Estero, because that province "has the lowest unemployment rate in the country."

In remarks to Radio America, Menem said that the chaotic situation of the district "is the product of a bad administration" by government officials and criticized the former officials "over the unusual increase in the number of public administration agents," which caused delays in the payment of salaries.

Santiago del Estero Government Pays Part of Overdue Wages

PY2012195493 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1424 GMT 20 Dec 93

[Text] Santiago del Estero, 20 Dec (NA)—Civil servants and old-age pensioners started to collect part of their overdue salaries today. The day is passing peacefully.

Civil servants are being paid the fixed amount of 500 pesos, while pensioners are collecting 300 pesos, as was announced by federal trustee Juan Schiaretta.

Schiaretta has declared a holiday for the province's civil service today and tomorrow, in order to ensure that the climate of peace, which has been restored over the last few hours, continues. Another reason behind this decision is the terrible condition of some public buildings in the wake of the incidents.

The payments are being made by the provincial police at bank branches and at the headquarters of the Bank of Santiago del Estero Province, the provisional seat of the province's executive branch. Teachers are being paid at other branches.

One of the decisions Schiaretti made as soon as he was installed as trustee was to establish a 3,500 peso limit for civil servants' wages, including the judiciary.

Schiaretti today asserted that the crisis confronting Santiago del Estero "has nothing to do with the economic adjustment policy implemented by the Federal Government, but rather is a moral and ethical crisis stemming from the fact that Santiago del Estero residents were sickened by so much impunity in the provincial public administration."

Schiaretti, speaking on the radio, recalled that "only eight months ago Santiago del Estero was an orderly province with a fiscal balance and a surplus. But it has had an inefficient administration, leading the province to bankruptcy and leaving behind a debt of 20 million pesos."

"The serious thing about this is that behind the imbalance in public accounts there were problems of unfairness and ethics, as there were officials, legislators, and judges earning salaries that ranged between 10,000 and 16,000 pesos per month, while civil servants earned very little and had not collected their salaries for three or four months," he added.

La Banda Mayor Hector "Chabai" Ruiz, on his part, met with Schiaretti yesterday and stated that he will insist on the trustee "urgently" sending "the money that the provincial government owes" to his municipality. He suggested to Schiaretti that overdue wages be paid as soon as possible, so as to head off new outbreaks of riots.

Ruiz concluded by saying that "there are two key points; first, the application of a cold compress, with the payment of wages; and second, the provision of a definite solution for the 14 million peso monthly deficit the province has."

Critical Economic Situation of Provinces Evaluated

PY2012201893 Buenos Aires CLARIN in Spanish
19 Dec 93 p 10

[Article by Omar Baez]

[Text] If one needs a shining example, Santiago del Estero is a good one, but not the only one. Provinces with similar economic situations are La Rioja, Corrientes, Catamarca, Chaco, and Salta. In some of them the salaries for November and part of the half bonus of June have not yet been paid.

Those six provinces will have red alarm lights going off if they do not pay the back salaries. And the situation will worsen as time goes on.

The other face of the situation is that of Santa Cruz, which pays its salaries on schedule, will have the privilege of being able to pay a full Christmas bonus. But this "meticulous" work has a painful cost: During 1994 the

provincial government will dismiss 7,000 public administration employees—that is, 30 percent of all employees.

There are other provinces seeking shortcuts. This is the case in Chubut, which is paying its salaries and Christmas bonus with the oil bonds (with which the state paid the back royalties). The provincial legislature authorized the government to use those resources for routine spending, when the original intention was to use them for infrastructure construction.

In the test of strength in Chubut between routine spending and investments, the accounts in the red had more power than the development projects. The province has to overcome a deficit of 9 million pesos monthly (it spends 24 million in salaries), and therefore the bonds will have that short-lived destination.

There is another figure that puts economic experts in a pen. In general the provinces appropriate 60 percent of their average spending for paying salaries. Only three of the 23 provinces are complying with the adjustments demanded by the Economy Ministry. These are Tierra del Fuego, Buenos Aires, and Salta. Regarding the other provinces, some of them started timid programs of voluntary retirement, and others do not even dare talk about the adjustment. But in lesser or greater degree, sooner or later, all the provinces will have to play the same score demanded of Santiago del Estero and La Rioja, and start a program of personnel reduction.

Some of them will have to tune their instruments quite well. In Santiago del Estero the government appropriates 68 percent of the resources for paying salaries. This province spends 776 pesos for each of its inhabitants.

In San Luis the relationship is worse. Salaries get 78 percent of the government's disbursements. The province spends 967 pesos per inhabitant. Chaco and Chubut Provinces spend about 72 percent in salaries. The spending relationship per inhabitant shows that in Chubut Province the figure goes to 925 pesos per inhabitant, and in Chaco Province 750 pesos per inhabitant.

For the time being Buenos Aires Province is shown to be the most efficient. It only spends 47 percent of its resources in salaries, and has the lowest rate of spending per inhabitant, 407 pesos. But it still comes out short. In 1994, there will be 10,000 employees leaving the public administration. In 1993, there were 13,000 employees who chose the voluntary retirement system.

But so far there is no labor demand from the private sector that could bear all the adjustments dreamed about by the Economy Ministry. The provinces having problems in paying salaries are precisely the ones with less unemployment. This is like unemployment insurance.

Some governors in the richest provinces, which do not have the urgencies of the poorer ones, are trying to impose their own reform models, disregarding the indications given by Economy Minister Domingo Cavallo.

For example, the adjustment being carried out by Cordoba Governor Eduardo Angeloz has nothing to do with the ones in Catamarca or San Luis. Cordoba has a lot to be privatized. But Angeloz carried out minor privatizations, such as the bus station and the zoo. Privatization of the "jewel" companies, such as the Cordoba Provincial Power Company (EPEC) and the Provincial Bank, are still under study.

Mendoza is the reverse example of La Rioja and Santiago del Estero. With important economic sectors supporting its economy the adjustment does not require a cut in spending, but an increase of resources. In 1992, Mendoza drew a budget of 320 million pesos, and collected that amount. In 1993, income was 30 million pesos higher than spending (350 and 380 million pesos). Some questions remain for 1994. The province plans to spend 450 million pesos and to increase taxes by an average of 15 percent.

But beyond any evaluation, there is something that should be taken into account. Any solution planned for the most affected provinces is always cheaper than the outbreak of violence.

Entre Rios Governor Donates Rice to Cuba

PY2012161093 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1214 GMT 19 Dec 93

[Text] Parana, 19 Dec (NA)—The government of Entre Rios Province has donated 100 tonnes of rice to Cuba in recognition for the medical attention given by Cuba to former national Deputy Cesar Jaroslavsky.

Entre Rios State Governor Mario Moine received Cuban Ambassador Miguel Bruguera del Valle. He said: "Despite differences in the political systems of the two countries, solidarity has always been a characteristic of Latin Americans."

The meeting was also attended by members of the provincial cabinet, representatives of the legislature headed by Vice Governor Hernan Orduna, and Gracia Jaroslavsky, the daughter of the Entre Rios Radical leader Cesar Jaroslavsky.

Cuban Ambassador Bruguera del Valle labelled the donation as "a demonstration of solidarity" that "carries an implicit message of friendship between peoples."

Tierra del Fuego Obtains 'Favors' for Fiscal Pact Support

PY2012220593 Buenos Aires CLARIN in Spanish
18 Dec 93 p 20

[Text] Although Domingo Cavallo has tried to disguise this, Tierra del Fuego Province did not support the fiscal pact for free. In exchange for his signing the pact in front of television cameras, Governor Jose Estabillo obtained several concessions for his new province.

Among other things, he succeeded in making the Economy Ministry authorize the allocation of an extra 160 million pesos in consolidation bonds.

Governor Estabillo also assured that "all the extra help will be used to promote economic growth and to develop our province." He thus hinted that this money will not vanish, being used simply to pay salaries and other common expenses.

One of the most important concessions Cavallo granted to Tierra del Fuego will benefit the private sector: Industries installed in the island will pay only 7 percent of the value-added tax until the year 2003. This was the elegant manner the negotiators found to extend some of the benefits of industrial development, but without mentioning the term, which has become taboo since the convertibility policy was implemented.

According to Estabillo, "our industry is not moving on little wheels," as can be said of the promoted enterprises. He remembered that "from 1980 to 1990 industrial activities in the region increased by 154 percent and that currently 5,500 people have jobs."

The source of central administration financial help has not been entirely closed to the province, either. Every month 0.312 percent of the fund created to solve provincial financial imbalances, which is handled by the Interior Ministry, will be transferred to the region. This fund is 45 million pesos in petty cash, to be distributed among a few privileged provinces.

Seventh March Seeks Talks With La Rioja Government

PY2012161293 Buenos Aires CLARIN in Spanish
18 Dec 93 p 10

[Text] La Rioja—Following the seventh march by the people of La Rioja Province against the provincial economic policy, the Inter-Union Commission (which organizes the protests) yesterday delivered an eight-point "nonnegotiable" request as a condition for talks with the government of La Rioja to Bishop Fabriciano Sigampa, who acts as the mediator in the conflict.

Like previous ones, the demonstration had the massive support of the people. It was peaceful and received the strong support of local businessmen. In addition to the traditional silent demonstration there was also a demonstration of "pain" over the events in the neighboring Santiago del Estero Province.

Yesterday afternoon Governor Bernabe Arnaudo went to Buenos Aires where he attended the national cabinet meeting to evaluate the crisis affecting provinces in the northwest. After the meeting the government reported that it will create 3,000 jobs in La Rioja in the first six months of 1994 at a cost of more than \$6 million within the framework of the Intensive Work Program. The

agreement will be signed on 20 December in La Rioja by Labor Minister Enrique Rodriguez and Governor Arnaudo.

Bishop Sigampa also left for Buenos Aires to meet with President Carlos Menem and to demand "on behalf of the workers" the annulment of the adjustment law.

The request submitted by the Inter-Union Commission basically demands "freezing the approval of any law related to state reform until 1 April 1994."

In an assembly-like meeting, the demonstrators approved by raising their hands the points of the request that include the rejection of a possible intervention of the province and the commitment to prevent future dismissals.

The document also requests the payment of the workers' social security contributions and rejects the transfer of the national pension system. Regarding union matters, the document requests "total respect" for the right to strike and the reinstatement of those dismissed, without discounting the days that were not worked.

The seventh march, which was held since the provincial legislature last week approved the "omnibus" adjustment law, did not last as long as the previous ones.

The demonstration included a religious celebration headed by priests Delfor Brizuela and Henry Paolini in support of the "brothers of Santiago del Estero."

Ten mayors of different districts of the province called for a meeting and rejected the adjustment at the municipal structure.

PJ Congress Approves Agreement With UCR, Appoints New Head

*PY2012202193 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1658 GMT 20 Dec 93*

[Text] Buenos Aires, 20 Dec (NA)—The National Justicialist [PJ] Congress has unanimously approved the constitutional reform agreement reached with the Radical Civic Union [UCR], and has authorized district party authorities to make up the lists of candidates for the election of constituent assembly representatives.

These two decisions were approved during a National Justicialist Congress meeting that began at noon today at the Parque Norte compound in this capital.

The National Justicialist Congress also renewed its executive board, appointing Lorenzo Pepe, a Buenos Aires Province leader, as new president, replacing Carlos Jua-rez, a Santiago del Estero Province leader.

Chaco Legislature Defeats Vote To Lay Off Civil Servants

*PY2012175093 Buenos Aires PAGINA/12 in Spanish
18 Dec 93 p 6*

[Text] The audience applauded the deputy who explained his rejection of the law to rationalize the civil service and hurled chewed gums and eggs at those who defended the need to reduce the number of civil servants. The deputy who demanded that the rationalization should "begin at the top, with those who have more, so that the lower echelons will not have to bear the brunt" belongs to the pro-Menem group. The one who justified the rationalization explained: "Community unrest will reach flash-point unless the rationalization is implemented." All this took place at the Chaco Provincial Legislature on 16 December, where Radicals and Peronists joined forces to vote against the motion to rationalize the civil service that was tabled by the ruling Chaco Action Party to meet the "reorganization" demands imposed by the nation's Economy Ministry.

The number of civil servants in Chaco Province totals 43,279. The number has been reduced by nearly 2,000 over the past two years but it far exceeds the 37,000 limit established in the agreement on the consolidation of the province's debt signed between the latter and the Federal Government last June. This agreement also provides for the privatization of the Bank of the Chaco Province and cuts in public spending. Chaco Action legislators (whose speaker is Colonel Jose Ruiz Palacios, retired) voiced their stance on this issue through Carlos Lemonaco, who said: "Community unrest will reach flash-point unless the rationalization is implemented. Then outsiders will come to settle the problem." He thus described the looming threat of federal intervention on the same day riots broke out in Santiago del Estero Province. Governor Rolando Tauguinias was the main advocate of the project voted down on the 17 December, which, among other things, urged civil servants to take early retirement so as to reduce the government's monthly deficit, which amounts to nearly 9 million pesos.

Radicals and Peronists were dissatisfied with vote on the rationalization. They went as far as to pass a law on the reinstatement of all civil servants that were dismissed for "service reasons." The united front presented by the Radicals and the Peronists was decisive because the former have seven seats and the latter 13 seats, while the Chaco Action has 12 seats.

Radical Party Split Viewed

*PY2012185093 Buenos Aires BUENOS AIRES
HERALD in English 19 Dec 93 p 4*

[Text] (DYN-NA)—Villa Carlos Paz, Cordoba—Splits within the Radical opposition party (UCR) appear to have deepened since party activists opened their meeting here Thursday.

Cordoba Governor Eduardo Angeloz warned that the party must change its outlook and mentality if it is to deal with the problems facing the country.

He said that UCR "needs a new, clear message if it is to have any chance of winning the next elections."

National deputies Jesus Rodriguez, Federico Storani and Rodolfo Terragno, together with Rio Negro Governor Horacio Massaccesi and Senator Mario Losado, criticized national government policies and warned that it is necessary to emphasize the differences between the UCR and the administration of President Carlos Menem.

Storani said that Radicalism must offer alternatives "without being absorbed by the majority Party."

UCR Repeats: Patents Law 'Must' Be Discussed in Congress

PY2112012993 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1830 GMT 18 Dec 93

[Text] Buenos Aires, 18 Dec (NA)—Raul Alfonsin, Radical Civic Union [UCR] national committee chairman, has confirmed that the intellectual property issue must be discussed in Congress. He emphasized that the new law must guarantee "public access to the consumption of medicines."

Alfonsin was responding thus to journalists' reports that point out that the agreement on investment guarantees signed between Argentina and the United States "would involve an ipso facto implementation of a new legal system of patents in our country."

In a press communique the former president emphasizes: "In this regard we uphold the right to discuss this important issue involving our country's technological future at a forum that is appropriate for a republican governmental system: It is Congress that must clearly and honestly discuss the future patents law that will become effective in Argentina."

Alfonsin confirms his belief in the need to protect the rights of innovative companies "without affecting, however, the free market system and competition."

The communique notes: "In this regard the new law must guarantee, as a priority, public access to the consumption of medicines, while the state, in compliance with its constitutional duties, must safeguard everyone's health, and especially that of the poorest segments."

In this regard, the UCR believes that these goals might be achieved "through the implementation of a royalties system, established by the law itself, that would compensate the innovative companies for the expenses incurred in research and development, thus allowing prices that are within reach for the public, and support for our social security system."

Number of Prison Mutinies Increases to Four

PY2012161493 Buenos Aires BUENOS AIRES
HERALD in English 19 Dec 93 p 4

[Text] (DYN-NA)—Two more prisons mutinied yesterday, bringing the total to four.

Shots were heard when some 200 inmates at the Mercedes prison launched their mutiny at about 2pm. Two guards were reported to have been taken hostage, and two inmates and a guard were being treated in a nearby hospital.

The Mercedes prison was built for 600 inmates, but is believed to hold more than 1,000 at the moment.

The Mercedes mutiny appears to be in sympathy with the others that have occurred over the past few days, the main complaint being the delay in handling cases.

The convicts say they do not want further violence and that there are no problems with the authorities in this particular prison.

The other new mutiny occurred at the Batan prison near Mar del Plata early yesterday morning when 250 prisoners took over seven cell blocks to demand better living conditions and reductions in their sentences. Five guards are being held hostage.

According to prison authorities the situation is under control and there has been no violence.

In the La Plata Number 9 prison that mutinied on Friday, the situation appears to be deadlocked, with the 1,000 inmates unable to decide among themselves who should be transferred to other prisons.

Provincial prison authorities had agreed that 23 inmates would be transferred to Junin and San Nicolas.

Prison authorities said at a press conference that the situation was "quiet" and that some of the 43 hostages who were beginning to suffer from physical and mental fatigue had been replaced by volunteers.

Provincial Government Minister Fernando Galmarini said that there will be no excessive use of force to take back the prison, and the authorities will simply wait two or three days to solve the problem without bloodshed.

In the Bahia Blanca mutiny, the situation has become more serious as talks between prisoners and authorities appear to have broken down.

Yesterday afternoon shots were heard, but no casualties have been reported.

The form of protest is the same in the four prisons and the demands are identical: reduction of sentences, more humane treatment, quicker handling of cases, and strict adherence to the San Jose Treaty which limits the time that a suspect may be held without sentencing.

Groups of prisoners in San Nicolas, Azul and Olmos have petitioned prison authorities for better treatment and a more speedy trial system.

In the Olmos prison there are nearly 3,000 inmates, of whom more than 70 are awaiting sentencing.

Brazil

Franco Considers Minister, Government Leader Positions

PY2112005793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Dec 93 p A6

[Article by Tania Monteiro]

[Text] Juiz de Fora—President Itamar Franco is against ending the monopolies of the telecommunications and oil companies, which is something which Finance Minister Fernando Henrique Cardoso supports doing. In an informal interview with journalists while drinking beer at the Brazao Restaurant, where he was celebrating his daughter Georgina's graduation, he explained that he would not oppose the decision to send the two amendments to Congress, because it is up to the congressmen to approve them or not. He also said that he would announce the name of the new industry and commerce minister and that of the transportation minister before Christmas. Franco added that the cabinet reshuffle will be completed by 6 January. The new cabinet will be more technical, and the president believes that the choice of the new communications minister will be the "most difficult one."

When he returns to Brasilia on 20 December President Franco will concentrate on choosing the new government leader in the Chamber of Deputies. He said: "He will have to be in tune with the government policies." The choice will be made in a meeting with the government leader in the Senate, Pedro Simon (PMDB-RS) [Brazilian Democratic Movement Party—Rio Grande do Sul]. The main topics discussed during the interview with the president of the Republic in his native town were the following:

End of Monopolies

Although he said that he was against ending the monopolies of the telecommunications and oil companies, the president warned that he would not prevent the finance minister from submitting these proposals to Congress: "If Fernando Henrique wants to propose them, he can do it. I will not feel uncomfortable because of it. If the proposals are approved it will be a decision reached by the Congress. Although we are not living in a parliamentary system of government, my administration gives authority to its team."

Cabinet Reshuffle

The name of the new industry and commerce minister and that of the transportation minister, who will not be

native to Minas Gerais State (Marcelo Siqueira, the president of Furnas Electric Power Plants, Inc., who was born in Minas Gerais, had been mentioned as a possible candidate) will be announced before Christmas. Theoretically, the 6 January deadline for the completion of the cabinet reshuffle will be maintained. The president confirmed having asked Communications Minister Hugo Napoleao to remain in his position for a few more days. "This is the most difficult Ministry," Franco said. The president of the Republic has not thought about a person to replace Mines and Energy Minister Paulino Cicero, either. This is also a hard decision to make, because this ministry "is very large."

Dismantling of Ministries

The Social Security and Regional Integration Ministries will be dismantled. Franco is waiting this week for the results of a study on the new government structure. He will then decide what to do with the organizations linked to the two ministries. Some of these organizations may be transformed into secretariats. The Brazilian Welfare Legion will not be dismantled.

The Cabinet's Profile

The new cabinet will have a more technical profile, although the possibility of having some politicians in it has not been eliminated. The names of Senators Elcio Alvares (PFL-ES) [Liberal Front Party—Espírito Santo] and Beni Veras (PSDB-CE) [Brazilian Social Democracy Party—Ceara], who had been mentioned for the Communications and Industry and Commerce Ministries, have been practically discarded by President Franco. Also out of question is the possibility of merging the Ministries of Education and Culture. Nothing, however, has been defined regarding possible changes in the Science and Technology Ministry.

Government Leader in the Chamber of Deputies

"It is not enough to be a struggler, to be honest, and to have good rhetoric. The new leader will have to be in tune with the government policies." The chosen person does not need to be a PMDB member, but will belong to a large party, so as to help in the negotiations to be held with Congress. Regarding the appointment of Odacir Klein (PMDB-RS), the president said: "It is a good possibility, but I still have not thought about it yet; I will only do so on 20 December." As to former Social Security Minister Antonio Britto (PMDB-RS), Franco simply praised him: "He has left a brilliant track record in the administration, and I am certain that in Congress he will help to ensure the economic plan's approval."

Economic Plan

"Of course I believe in it. If I didn't, I would not have supported the plan."

Expectations for 1994

President Franco deems the three or four first months in 1994 decisive for his administration and for the country. He explained that by saying so he is referring to issues such as the end of the party affiliation registration period, the deadline for the approval of candidacies' registration, the governors' and mayors' obligation to leave their positions in order to run in the elections, and the approval and implementation of the economic plan. "If I do nothing else while in office but succeed in democratically handing the government to my successor, I will be satisfied."

Economists and Power

Economists should remain in technical positions because, in his opinion, they have a very limited vision.

Designates Five New Ministers

PY2012224993 *Brasilia Voz do Brasil Network in Portuguese* 2100 GMT 20 Dec 93

[Text] President Itamar Franco has confirmed five new names for his ministerial team. Three are women: engineer Margarida Coimbra do Nascimento will replace Alberto Goldman at the Transport Ministry. She will be installed 21 December at 1600 at Planalto Palace. The transfer of post at the ministry will take place 30 December.

Businesswoman Cosette Alves, of the Mappin Stores Group, will assume the Industry, Commerce, and Tourism Ministry, replacing Minister Jose Eduardo Andrade Vieira. She will be installed on 22 December, also at 1600. The transfer of post was also scheduled for 30 December.

These names have been confirmed by Presidential Press Secretary Francisco Baker. LBA [Brazilian Welfare Legion] Chairwoman Leonor Franco will be acting social welfare minister. Former Minister Jutahy Magalhaes Junior left the ministry to run in the next elections.

Federal Administration Secretary Romildo Caim will be concurrent minister of regional integration, replacing Alexandre Costa.

President Itamar Franco also decided to replace Agriculture Minister Dejandir Dalpasquale. He will be replaced by Agriculture Ministry Executive Secretary Alberto Portugal, who will be acting minister.

President Franco also approved this afternoon the project for the creation of the National Narcotics Secretariat, which will deal with programs for preventing drug use.

Industry Minister-Designate Declines

PY2112002593 *Rio de Janeiro Rede Globo Television in Portuguese* 2200 GMT 20 Dec 93

[Text] Transportation Minister Margarida Coimbra do Nascimento is an engineer, and currently works for a Rio de Janeiro company. She was responsible for the last inspection of the Rio de Janeiro-Niteroi bridge.

Sao Paulo entrepreneur Cosette Alves, who was chosen for the Industry and Commerce Ministry, is the owner of one of the largest store chains in our country, and is not a member of any political party. Cosette Alves took over control of the Mappin store chain in 1982 after her husband, Alberto Alves Filho, died. Three years ago she began to write articles on politics and economy for the newspapers. The new minister met President Itamar Franco last year.

And, may I have your attention now! Entrepreneur Cosette Alves has just telephoned President Itamar Franco, telling him that she cannot accept the post of minister for personal and entrepreneurial reasons.

President Itamar Franco has accepted her petition, and cancelled her appointment.

Crisis Between Supreme Court, Government 'Rekindled'

PY2112023593 *Sao Paulo O ESTADO DE SAO PAULO in Portuguese* 18 Dec 93 p A5

[Text] Brasilia—The Supreme Federal Court (STF) yesterday rekindled the crisis between the government branches with inflamed speeches against the reform of the Constitution, defined as "inopportune and unpatriotic" by Justice Carlos Velloso, who called the defenders of the reform "opportunists." The attack took place during a judgment of direct action of unconstitutionality against the revision, promoted by Parana State Governor Roberto Requiao (PMDB) [Brazilian Democratic Movement Party], who wanted to suspend the process.

Although they rejected the injunction requested by Requiao, the Supreme Court justices made it very clear that this matter will stir things up in 1994, when the merit of the action will be judged. The session also demonstrated that the STF is willing to fight against amendments to the Constitution that might imply an external control of the judicial branch.

The argument used by Justice Sydney Sanches to avoid the injunction suspending the reform was that a decision like that, less than 24 hours after the session confirming the lifting of former President Fernando Collor's political rights for eight years, would probably "create a trauma for the country." For the time being Sanches and the other justices, Neri da Silveira and Celso Mello, adopted the theory that the revision of the Constitution must have limits, and is subject to the control of the STF.

This in practice means that all decisions made by the Congressional Commission will probably be contested in court.

Justice Marco Aurelio Mello, cousin of former President Collor, was the only one who voted favorably for the injunction that would suspend the revision. The other eight justices were against it. But on declaring his vote, Carlos Velloso did not conceal his desire to follow Marco Aurelio. He said: "It was up to Congress to fulfill the most democratic constitution the people have ever had with the preparation of the complementary laws." Justices Francisco Rezek and Moreira Alves, who had left on travel before the judicial recess, did not participate in the session.

According to Marco Aurelio, conceding the injunction was important in that it would have allowed the STF an opportunity to analyze more calmly the merits of the action.

Justice Sepulveda Pertence did not spare criticism of what he called "a despondent Congress on the eve of the end of its tenure." Pertence said he did not suspend the revision only because he was aware of the serious consequences. "I admit the institutional seriousness of the political moment."

*** Lula Views Recent Coups, Cuba, Nuclear Policy**

94SM0131A Brasilia CORREIO BRAZILIENSE in Portuguese 28 Nov 93 p 4

[Interview with Workers Party Chairman Luiz Inacio Lula da Silva by UPI reporter Antonio Praxedes; place and date not given: "Brazil Will Arrive at a New Model of Socialism"; introductory paragraphs in italics as published]

[Text] *A 48-year-old former metalworker and the son of peasants from the poorest region in the country, he dreams of heading the first socialist government of Brazil, Latin America's most developed economy, beginning in 1995. Luiz Inacio da Silva, who has added to his legal name the nickname "Lula"—which made him famous as a union leader and later as founder of the Workers Party—is leading in the most respectable opinion polls regarding candidates for president of the republic. He is 20 percentage points ahead of the runner-up, former President Jose Sarney.*

Last Sunday, in a phenomenon ascribed to "Operation Clean Hands," Italian voters threw the Christian Democratic conservatives out of the government they had controlled since 1945. The winners in provincial and local elections were the candidates on the left and right, including even a resurrection of the memory of Mussolini in the person of a granddaughter who placed second in the first round of balloting for mayor of Naples, thus winning the right to go on to the second round. That was all Lula needed to fuel his dream of being Brazil's first socialist president in its 104 years of republican history.

In a lengthy interview which the UPI is distributing throughout the world today, Lula says he intends to create a new model of socialism for Brazil but admits that he has not yet worked it out completely. "I would like a socialism with, on the one hand, a people with the dignity of the Cubans and, on the other, the per capita income of Denmark," he comments. Concerning the downfall of the Soviet Union and its effects on the survival of socialism, Lula sharply criticized East Europe. "Socialism did not work because there was no democracy, no right of opposition or right to protest, and because the workers forgot how to go on strike."

[Praxedes] How do you interpret the recent political movements headed by Alberto Fujimori, Boris Yeltsin, and Commander Raoul Cedras?

[Lula] I oppose those three coups because, first of all, Fujimori cannot be above good and evil. I feel that we must raise the people's consciousness so they will choose their representatives better. The president of the republic cannot permit himself the luxury of shutting Congress down just because he does not like it or because it is conservative or not conservative. The existence of a democratic Congress is one of the signs that democracy exists in a country. You can reorganize the judicial branch through the National Congress and thereby change the structure of the judicial branch. So I don't approve of Fujimori's coup. And just as I don't approve of Fujimori, so I don't approve in the case of Yeltsin. Where have you ever seen someone order the shelling of a Congress—in other words, a Chamber of Deputies—because it disagrees with the president of the republic? The hypocrisy is even greater in the West, which approves of things like that. Nor can I approve of the coup in Haiti. I feel that those are three stories, three coups, and in my opinion, three instances of hypocrisy on the part of the so-called developed world—the world that determines the political decisions reached by the United Nations, which did not take the correct action in Peru, Russia, or Haiti.

[Praxedes] What about the military interventions in Iraq, Somalia, and Bosnia: what is your opinion of the way the UN and OAS organizations acted?

[Lula] I am convinced that we are going to end this century and begin the next with a new debate concerning both the new world economic order and the functioning of such international institutions as the United Nations and the OAS. First of all, it is necessary to do away with the right of veto—that is, everyone should be equal, regardless of size, and everyone should have one vote. Neither the size of a country's GDP [gross domestic product] nor its population should govern the right to vote, because if they did, China alone could veto what 20 countries approve of in the United Nations. There must be equality and respect for decisions. It is not possible to approve of an economic blockade without taking into account the fact that thousands of children will die

without being able to complain. They are dying in Iraq and Cuba, and they may die in Haiti. All that must be changed.

[Praxedes] Brazil has always had an ambiguous attitude toward Cuba. What sort of relations would your administration have with that country?

[Lula] There is a certain amount of hypocrisy, not on the part of Brazil but of the whole world, concerning Cuba. All countries defend the right of peoples to self-determination, but they all want a little bit of interference in Cuba. Europe and the capitalist countries in the West do not share with Cuba because the United States forbids it. The same is true of Brazil, whose rulers show amiability and friendliness in their speeches but in fact do nothing to change the situation. Recently Brazil was unable to sell six Bandeirante aircraft to Cuba because the United States would not supply an American-made part. It is disagreeable for a country the size of Brazil to have to submit to that kind of whim. I feel that Brazil is a sovereign country; it must have a policy for relations with Cuba just as it does in the case of other countries, without interfering in Cuba's domestic policy. Cuba's domestic policy is a problem for the Cubans. What we need to do is look after Brazilian interests first and then concern ourselves with the cultural and commercial interests Brazil can share with Cuba.

[Praxedes] Lech Walesa, who is also a former worker and a former victim of political repression, is heading a conservative government following Poland's lengthy communist experience. Do the two of you have other points in common?

[Lula] One of the problems in Walesa's case may be the fact that he has been transformed into a symbol of anticommunism. He left Poland to familiarize himself with Japan, Italy, and Germany, where he saw highly advanced capitalist systems with per capita incomes of from \$15,000 to \$22,000, and that awoke in Walesa the idea that the world could be that way. He ought to have pursued an offsetting policy as well—that is, he should also have visited Brazil, Africa, Ethiopia, Somalia, and Bolivia so as to see that capitalism is not only what he saw in Europe: capitalism has another side. Who knows—he might have expected less than he did from neoliberalism, which is not going to solve Poland's problems any more than it has solved those of Great Britain or any more than it is going to solve those of any other country.

[Praxedes] In a country with so much disparity in the processes of income distribution, do you feel that the state should impose social restrictions on the preservation of private ownership in rural and urban areas?

[Lula] I am the greatest defender of private ownership. Except that I defend it for everybody. The problem with private ownership arises when it becomes accessible only to a minority. I feel that ownership, especially in rural areas, needs to be studied more closely in Brazil. It is not possible for us to let someone own two million hectares

of land. Nor is it possible for a firm to own four million hectares of land. Land must be distributed in accordance with the country's productive interests. This is not a matter of taking land only away from those who own a lot of it. It is a matter of making social and fair use of the land's ability to produce wealth—food. There are few Brazilian cities that have a green belt for growing so-called subsistence crops. What we see is land for speculation. I recently learned that the State of Rio Grande do Norte produces only 20 percent of the food it consumes and that the only thing the city of Natal produces is coriander. That is as inexplicable as what I saw in Roraima: the carrots and tomatoes consumed there come from Sao Paulo, almost 4,000 kilometers away. That is inconceivable. When you travel along some Brazilian highways, you can travel for kilometers without seeing any planted land. So it is necessary to carry out a socially just redistribution of land use in Brazil.

[Praxedes] The socialist experience in France caused some distrust among foreign investors in the beginning. Will those investments be welcome in a Brazil governed by a socialist?

[Lula] France did not have a socialist experience, and for that matter, the Socialists lost the elections because they did not implement any of what they promised during the campaign. Now the Right is promising much more than the Socialists: a 32-hour workweek, something that even Mitterrand and Ricard did not have the courage to propose. It was not because the government was socialist—or was not socialist—that foreign investments declined. It was because the economic viability of other markets was more worthwhile. A country like Brazil, which has the second-largest source of investments for Swedish firms, which has 1,000 German firms within a radius of 30 kilometers, and which has a potential for American and Japanese firms—it is obvious that we are going to work to attract foreign capital to Brazil [sentence as published].

[Praxedes] There is considerable questioning concerning the formation of the foreign debt, the conditions in which those funds were obtained, and the way they were used. Does your administration intend to meet those obligations?

[Lula] I question the foreign debt much more because of the poor use of funds than because of the way the funds were obtained. The money arrived and was not used correctly. The Trans-Amazon Highway is still not finished. The construction of nuclear power plants was an excessive and unnecessary investment because if there is a country anywhere that has no reason to be thinking about nuclear power, that country is Brazil. Our capacity for hydroelectric power production is fantastic. So nuclear power can be explained only by the military megalomania for building atomic bombs or nuclear weapons. During the 1989 election campaign, I said it was necessary to suspend payment of the foreign debt and set up a development fund under society's control in

order to give a boost to education, research, and Brazilian industrial development. Today I still think that is the best solution. Naturally, it cannot be a matter of rhetoric or bravado on the part of a president of the republic. It is necessary to build the political strength to implement that debate. The first step is to try to turn the foreign debt into a political rather than an economic issue. The second step is to talk directly to the governments concerned instead of sending representatives to the IMF. Governments have political and social sensitivity; bankers do not. This can be done only with a lot of talking and after a lot of time—perhaps a few years. It is unthinkable that Latin America should continue sending net capital abroad as it has been doing. In nine years' time, Brazil has paid out \$132 billion and received only \$17 billion in return. It would have been better for Brazil to keep the \$132 billion and forget the \$17 billion. I am making these comments in a theoretical manner because it is necessary to actually put together the political mechanisms for reaching agreement. I feel that we must open the debate on a world economic order.

[Praxedes] Foreign investors have been showing great interest in the privatization program under way in Brazil. Domestically, that program has been provoking strong reactions from the parties on the left, including sectors of the PT [Workers Party]. What will happen to that program under your administration?

[Lula] We have two problems that we are trying to solve in debates with the businessmen. First, the question of government-owned firms is not a matter of principle but of strategic necessity in a country that is still taking shape and in a phase of growth. We would not adopt the policy of surrendering public assets that conservative sectors are trying to implement now. We would not repeat the experience of Argentina or Mexico. We are a country with an industrial calling. We have Petrobras, which is one of the most modern and most capable firms in the world and one of strategic importance to Brazil. Who can guarantee that private enterprise would be interested in investing in prospecting and exploration in Brazil and would not simply adopt the policy of importing petroleum? It is the state that is interested in exploration and prospecting. Since petroleum is a resource that may last for another 50 years, it must be considered a strategic product. Proof of this is the fact that the seven richest countries in the world did not hesitate to spend \$30 billion to invade Iraq in defense of their international reserves in Kuwait. So then, we want to keep Petrobras just as we want to keep the telecommunications sector. And that amounts to an international war. On the one hand, there is the European model, in which the state has retained control but deregulated the manufacture of equipment and the providing of some services, and on the other, there is the U.S. model with its across-the-board deregulation. I am more in favor of the European style.

[Praxedes] What kind of nuclear policy will be adopted by your administration?

[Lula] I accept a nuclear policy for scientific purposes. As a pacifist, I cannot accept nuclear energy as a military instrument. A country like Brazil, with so many priorities, should not have spent so much money on atomic power plants. Brazil is thinking small. And now we have that plan for nuclear-powered submarines. From the standpoint of defending national sovereignty, the state must think about having a few instruments of defense. It happens, however, that those instruments are not always really for defense—depending on how they are made, they might be instruments of attack. Considering the 32 million starving and unemployed indigents in this country, one would expect us to have more important areas to invest in. I don't feel that this is a priority for Brazil. While a number of countries are phasing out some uses of nuclear power, Brazil is trying to start up a few.

[Praxedes] What is your idea for promoting the difficult balance between industrial development and preservation of the environment?

[Lula] There is no difficulty. First of all, because I am not dreaming of turning the Amazon Region into a sanctuary for humanity. The region is home to approximately 17 million people who are entitled to a dignified life. What is the state's role? To be the organizer so that the necessary investments in the Amazon Region will be obtained without degrading the environment. It is necessary to make a correct study of the soils appropriate for agrarian reform, stock-raising, and so on. What is not acceptable is to have someone from Sao Paulo or Rio de Janeiro buying 30,000 hectares of land in the Amazon Region and burning over major portions of that land without using any judgment at all. The state must play the major supervisory role by participating in technical viability studies of the projects being considered. Lastly, I consider it entirely possible to harmonize a development policy with preservation of the environment. There is a new source of resources in the Amazon Region that Brazil has not yet discovered how to utilize, and its name is biodiversity.

[Praxedes] Foreign tourists have changed their vacation plans and gone to countries that are safer. Do you have anything in mind for turning that picture around?

[Lula] Urban violence is the result of the economic violence to which this country has been subjected in recent years. In a country with 32 million indigents, 70 million people with incomes below the poverty line, a housing deficit of 12 million units, 13 million people suffering from some kind of mental deficiency, and millions of unemployed, violence is stamped on every face, lives on every corner, and, obviously, shows up in places with the greatest concentration of poverty. Violence is linked basically to the absence of a social policy. In Rio de Janeiro or Sao Paulo, for example, a child living in a shack goes out on the street because the street means freedom. A child living in a room measuring four square meters with his father, mother, and six brothers and sisters plus the dog gets a real feeling of freedom

when he hits the street. The street smells better. So the only solution is to establish a policy of social investments that will create jobs in the short and medium term.

[Praxedes] What are your ideas on combating Brazil's obstinate and record-high inflation rate of over 1,000 percent per year?

[Lula] Brazilian inflation is the result of the country's submission to the oligopolies on the one hand and the financial system on the other. While the financial system in the rest of the world does not account for more than 4.5 percent of GDP, its share of Brazil's GDP amounts to 13 percent, and it has gone as high as 24 percent. It totals 4.5 percent in Japan, 2.5 percent in the United States, and 4.7 percent in Germany. Our problem is not really the public debt, which amounts to only 33 percent of GDP. To get an idea of what that means, consider that Japan's public debt accounts for 70 percent of GDP, while Italy's totals 100 percent. Our problem is the rolling over of debt, which involves the payment of interest twice a month, once a month, quarterly, and so on. In other countries, debt instruments are issued with terms of from 15 to 25 years because people have confidence in their governments. So we need to regain that confidence, extend the profile of our debt, begin dialogue with the so-called organized sectors to establish prices and wages, and so on. That is the first step in controlling inflation.

[Praxedes] What is the outlook for your administration's relations with the church as far as birth control, abortion, and gambling are concerned?

[Lula] I am in favor of legalizing gambling because I consider the current situation a hypocrisy. We are already a country of gamblers in which every citizen gets up in the morning trying to decide whether to play sena, lotto, raspadinha, the sports pools, or the federal lottery. And in that context, the game of "bicho" [a kind of numbers game] is illegal—the game which, of all the games, distributes the most income. I feel that certain people do not want to legalize it because its illegal status permits connivance between officials and bicho bookies. So I think the game should be legalized. I am also in favor of a process of family planning. The middle class already has its own family planning mechanisms thanks to the education it has received. Where is the highest birthrate found? Precisely in the poorest class, which has no education, receives no guidance, does not use contraceptives, and has not yet learned that you can have sex without procreation. That is the role of the state, which should begin with children in school and use television to educate those people. So I am in favor of family planning, although I don't think that is what is going to solve the problem. The birthrate in Brazil is already declining. In any case, I think we must convince the church that it is not normal for a citizen who earns the minimum wage to have 10 children. I realize that as a human being, I should only bring into the world as many children as I can support. I am opposed to sterilization: against steps to control the birthrate. I feel that the state must educate

its people. In particular, I am opposed to abortion because it injures the woman. A person who practices abortion is doing violence to her body. But I realize that no one does it for the pleasure of it but when she realizes that it is impossible to continue the pregnancy.

[Praxedes] In your opinion, are the local and provincial election results in Italy, which favored candidates on the left and right following "Operation Clean Hands," a preview of the near future in Brazil?

[Lula] Those who won were the "outs." It was a rejection of the "ins" and a vote of confidence in the sectors which were out of power and not involved in the corruption. I feel that the same thing may happen in Brazil. That is why my opponents are trying to embarrass the PT by making all kinds of accusations of fraud.

Chile

U.S.-Chilean Delegation Analyzes Poisoned Grapes Case

PY2012142693 Santiago Radio Cooperativa Network in Spanish 1000 GMT 18 Dec 93

[Text] The ad hoc group negotiating the poisoned-grapes case is making gradual progress. Negotiators met in Chile and in the United States this year seeking a solution to the incident that lost millions of dollars for Chilean producers and the Chilean state.

The Foreign Ministry reported that Edward Casey, the U.S. deputy assistant secretary of State for South American affairs, headed the delegation that met with Chilean officials for two days in Vina del Mar to discuss the embargo on Chilean fruits entering the United States as the result of finding two poisoned grapes.

Casey met with the commission headed by Foreign Under Secretary Rodrigo Diaz Albonico. This is the third round of talks seeking a solution to the controversy that erupted in 1989.

Under Secretary Diaz Albonico said during the week he hopes the situation that at one point strained Chilean relations with the United State would be resolved before the change of government on 11 March 1994.

Experts in relations with the United States have said that it is unlikely that Chile will obtain any compensation because this would create a precedent that the State Department wants to avoid.

Casey occupies one of the three assistant secretariats for Latin America under Assistant Secretary Alexander Watson, who is responsible for U.S. relations with Latin American governments.

The ad hoc commission on the poisoned grapes was created in July after the U.S. Government rejected the possibility of convening the Brian, Suarez, Mujica Commission, an organ created in 1914 to resolve diplomatic

conflicts that cannot be resolved bilaterally. The request was made by the Chilean Government.

Last night Under Secretary Rodrigo Diaz Albonico briefed President Patricio Aylwin on the details of the talks. The negotiations are being conducted behind closed doors.

Colombia

U.S. Military Brigade To Arrive; Mayor, Governor Cited

PA2012180293 Santa Fe de Bogota EL TIEMPO in Spanish 17 Dec 93 p 13a

[Text] Cali—A U.S. military brigade will arrive at the National Navy Base at Malaga Bay, Pacific coast, at the end of December or early January to carry out projects, as established in an agreement signed with the Defense Ministry.

The details were provided by Admiral Jose Ignacio Roza Carvajal, Navy commander in that Colombian region. "I suggest that people come and see. I do not know what sources are saying that the U.S. soldiers are repairing roads in Valle del Cauca."

The officer replied to questions asked by members of Congress, political sectors, and Tulua Mayor Gustavo Alvarez Gardezabal about the alleged presence of U.S. Marines.

Rozo Carvajal admitted that a commission formed by a colonel, a captain, and noncommissioned officers of the U.S. Navy arrived aboard a landing craft and met with a representative of the Management of the Pacific Coast [Gerencia del Litoral Pacifico] to decide on the construction of a school and a health center in Juanchaco.

That delegation came from a U.S. military base in Panama. Admiral Roza said that only soldiers of the Agustin Codazzi Engineers Battalion are in Juanchaco to build an airport in the area.

"The National Navy has deployed those units and they might have been confused. For security reasons, we cannot report the troops' mobilization," the admiral said, adding that the U.S. soldiers will be here in one month to build the school and the health center, in accordance with an agreement coordinated by the Defense Ministry with the approval of Valle del Cauca Governor Carlos Holguin Sardi. The agreement establishes that the U.S. soldiers can only go to Juanchaco and not bear arms.

"I was dismayed to see that explanations were demanded but no one took the time to call the Navy in the Pacific. I do not know what interests are seeking to cause such anxiety," Roza said.

Meanwhile, Tulua Mayor Gustavo Alvarez Gardezabal has stated in a communique addressed to the governor that "as patriots, I and my fellow countrymen do not fail

to see what is behind the presence of gringo troops in hypocritical and unnecessary civic-military actions supposedly to repair our schools."

Alvarez asked the governor to "prevent, before it is too late, the disruption of harmony among citizens and to prevent the introduction to our land of their war that the North Americans have been unable to wage in U.S. cities against their cocaine-consuming citizens."

In this regard, Governor Holguin Sardi replied that he has not been notified about the presence of U.S. troops in Valle del Cauca, saying "there is an attempt to bring a type of war to Valle del Cauca. There were ill-advised, unfortunate, and insolent remarks by the U.S. ambassador, stating." [sentence as published]

Regarding this, the governor asked the national government "to issue a statement on those remarks and protest the ambassador's attempt to control the Colombian police and military forces."

Tulua Mayor Criticizes U.S. Troop Presence

PA2012184593 Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 1730 GMT 20 Dec 93

[From the "National" newscast]

[Text] Tulua Mayor Gustavo Alvarez Gardezabal is not pleased by the idea of U.S. troops coming to Valle del Cauca to conduct civic projects. According to him, their presence might hinder the surrender of Cali Cartel member.

[Begin recording] [Alvarez] We know that at least four drug lords have given various lawyers power of attorney to arrange for their submission to the state. I think Valle del Cauca is going to find a solution to this problem. Valle del Cauca does not need this war declared from Washington. Valle del Cauca is going to find solutions. It is highly probable that the gringos will not like those solutions. I think that deep down, it is the reason for this hasty arrival of U.S. troops appearing like charitable nuns.

[Unidentified reporter] Could they hinder the surrender of northern Valle del Cauca drug traffickers?

[Alvarez] Very probably so, because it seems the gringos do not like the drug traffickers' submission to the state. The gringos have much more aggressive and violent procedures. But that is how it always is because the gringos, instead of waging the battle against drugs and their citizens who consume cocaine all day long, prefer to wage war in countries they view as colonies. [end recording]

Government Assembles 17th Brigade, Appoints Commander

PA2112040293 Santa Fe de Bogota EL TIEMPO in Spanish 14 Dec 93 p 13A

[Excerpts] The government yesterday appointed Brigadier General Hermofilo Rodriguez Romero commander of the Army's 17th Brigade, headquartered in Carepa (Antioquia) in central Uraba Department. The officer will be the first commander of this military unit, which was created by both the Executive Branch and the Armed Forces to take control of the difficult public order situation Uraba has been experiencing the past six weeks.

Although the appointment decree has not been issued yet, military sources told EL TIEMPO that Rodriguez was appointed to the post and that he will take command within a few days. The 17th Brigade will operate from Operations Command No. 2 located in Carepa and will have close to 3,000 members.

The decision to create the military garrison in the region plagued by the selective murders of members of the political group Hope, Peace, and Liberty was made on 10 December during a meeting with the military High Command and with government representatives in Uraba. The brigade will be made up of 3,000 men, and, according to military sources, it will have a counterinsurgency battalion and two regular battalions, as well as service and logistical support units.

The new commander, Brig. Gen. Hermofilo Rodriguez Romero, is the current chief of Department 5 of the Civilian and Military Relations of the General Command of the Armed Forces. Rodriguez was promoted to General on 9 December at a ceremony presided over by President Cesar Gaviria. [passage omitted]

With the creation of the 17th Brigade, the government intends to mitigate the public order problems that the Uraba region is facing. At least 150 people have been murdered in this region in the last few weeks. The systematic murders have been attributed in principle to the struggle among leftist forces to seize power in Uraba. President Gaviria has emphatically referred to this matter and has said on many occasions that the guerrilla groups that operate in the region are responsible for the selective murders.

In his most recent speech on the issue on 10 December, President Gaviria said many of the murders are the result of actions by the group headed by Francisco Caraballo, who used to be a member of the Popular Liberation Army. According to the president, the members of this group, which did not demobilize, "are devoted to killing their former comrades-in-arms."

Congress Approves Reforms to Social Security Law

PA2012231693 Santa Fe de Bogota EL TIEMPO in Spanish 16 Dec 93 p 6A

[Excerpt] Congress has given final approval to a series of social security reforms, thereby giving Colombians a new pension and health care system next year. On 15 December, a plenum of the Senate and Chamber of Representatives approved a bill from the joint conciliatory committee, which had made some changes to the text the two legislative bodies had approved earlier. The bill will become law after the president sanctions it.

Several changes will be introduced in the social security system effective in 1994. The first change allows the creation of private pension funds, thereby ending the monopoly maintained by the Social Security Institute (ISS). The two systems will compete in attracting and maintaining as many members as possible.

Effective 1 April 1994, retirement payroll deductions in both systems will increase from 8 percent to 11.5 percent. In 1995, they will increase further to 12.5 percent, and in 1996 to 13.5 percent. Those earning more than four times the minimum wage will make an additional contribution of 1.0 percent to the Solidarity Fund, which will benefit low income people.

The national government stressed the importance of the measure's approval by noting that, after one and one-half years, an openly debated and democratic bill was approved by Congress with the participation of all relevant sectors.

Another change introduced with the reforms has to do with the retirement age. It was agreed that the retirement age under the ISS system will be 55 for women and 60 for men, as it is now. Effective in 2014, however, the retirement age will be increased to 57 for women, and 62 for men. Members of private pension funds will have a right to decide when they will retire, because the retirement pension will depend on the amount saved and the profits earned.

In the area of health, health promotion institutes (EPS), will be created, and quotas will be increased from 7 to 12 percent. The Executive Branch hopes to expand coverage in the health sector and expects the majority of the population to have social security coverage by the year 2000. [passage omitted]

Paraguay**Second Part of President Wasmosy Interview**

PY2012120093 Asuncion ABC COLOR in Spanish 15 Dec 93 p 10

["Part two" of interview with President Juan Carlos Wasmosy by Alcibiades Gonzalez Delvalle; place and date not given]

[Text] [Gonzalez] There have always been doubts about your relations with the Colorado Party Executive Board. It is being said that your relations with [party president] Blas N. Riquelme are deteriorating day by day.

[Wasmosy] Well...I would say that Mr. Riquelme has problems with the administration of the party just as I have problems with the administration of the country. It is reasonable to think that our fellow party members will take their problems to him, just as I have no doubt that opposition fellow party members take their problems to [Domingo] Laino, [Juan Manuel] Benitez Florentin, or the National Encounter. Riquelme, just like the other political leaders, must find solutions to those problems, and it is only natural for him to come and see me to speak on behalf of other fellow members. Our people are still used to thinking that we must give what our fellow party members want without considering whether they are qualified for this or that post. Sometimes we must refuse even though they might have a lot of merits as a fellow party member.

[Gonzalez] Has Riquelme pressured you to give jobs to the people he recommended?

[Wasmosy] I would be lying if I said yes. But he submits applications... and the person who must answer before our fellow party members is the party president.

[Gonzalez] Does Riquelme show disappointment or slam the door when you say "no?"

[Wasmosy] Well, ...naturally.

[Gonzalez] People mention "Wasmosyism" as being an internal party faction.

[Wasmosy] I categorically deny the existence of any "Wasmosyism." There is nothing like that. There is a Wasmosy government, yes. What you suggest is just another "ism" in an already atomized party. I am definitely not supporting or consenting to any faction associated with my name. I am respectful of my party's legitimate authorities. If anyone disagrees he must wait for the next election to elect his candidate.

[Gonzalez] It seems, however, that people do not want to wait that long, judging by the wave of dissenters who want to remove Riquelme from the party leadership.

[Wasmosy] It is an issue all right.

[Gonzalez] One that involves you?

[Wasmosy] No, absolutely not. I respect other people's jobs ...just as I want others to respect my administration.

[Gonzalez] Would it benefit you if Riquelme chooses, or is forced, to step down?

[Wasmosy] What I hear when I go to the interior of the country is not so much that people want Riquelme to step down. Our fellow party members are concerned because the party has not been able to organize our youth, our professionals, or our university students yet.

That worries them. That is a fact. The party has not shown real dynamism yet. The National Encounter, however, continues to work, offering lectures in schools, etc. When the Colorado Party organizes a student center there is a lot of criticism. But if the National Encounter offers a lecture on this or that topic the press thinks it is all right.

[Gonzalez] Let us return to the Colorado Party.

[Wasmosy] Well, I think the party should show more dynamism; it should play a more active role. We are already close to the municipal elections. That is of concern, beyond Riquelme's decision on whether to step down. No one will want him to leave if he can organize the youth, women...

[Gonzalez] In other words, Riquelme is not doing anything.

[Wasmosy] I would say that his many occupations...

[Gonzalez] Private occupations you mean?

[Wasmosy] Our fellow party members want better leadership.

[Gonzalez] Are activities of the "Arganaist" [after Luis Maria Argana] faction a nuisance to your government?

[Wasmosy] They called me all kinds of names during the campaign.

[Gonzalez] They keep calling you names.

[Wasmosy] It does not bother me. We live in democracy ...although the methods used by them, like slander, lies ...I think I would be giving too much importance to the matter if I were to answer them. I would never yield to the temptation of answering them or using the weapons they used against me.

[Gonzalez] What would you do if the "Arganaists" win the election for the party leadership?

[Wasmosy] I will respect that decision.

[Gonzalez] Do you feel you have been abandoned by your party?

[Wasmosy] Not at all. Grassroots support for my government increases with time.

[Gonzalez] You are known as a very active person. Are your ministers as active as you?

[Wasmosy] Even journalists become active. I am the type of person who takes the things he has on his mind very seriously. I try to do the most I can in the shortest possible time.

[Gonzalez] Does the infighting in your party distract you?

[Wasmosy] The damaging factor here is the infighting that prevails in all political parties. Personal interests

take priority over those of the country. I believe it will not take very long before this situation will change since we are learning to live in democracy. I must point out the example of trade unionists, who have shown maturity in the specific case of the Labor Code, as well as businessmen and senators who honored the agreement reached. We will win the credibility and trust of the citizens if we are trustworthy. We will not achieve anything if we resort to subterfuges. This practice must fall into oblivion.

[Gonzalez] Four months have elapsed since your inauguration. Are you learning to be a president?

[Wasmosy] Yes, despite many blows, I am learning. I have great faith that I will succeed. I believe the bills we submitted to Congress, the measures we effected, and the controls we implemented show we are on the right path.

[Gonzalez] To date, what is the greatest achievement of your administration?

[Wasmosy] Former Brazilian President Jose Sarney once told me that those who live in a democracy want everything accomplished now—development, well-being, richness, and an end to poverty. These are all legitimate aspirations and I hope we will attain them in the near future. Let us look back and compare the past with the present. The country has a civilian president, who was freely elected by the people, and it has a civilian commander in chief of the Armed Forces who retires. Armed Forces officers and reduces their numbers—the number of generals has been reduced from 54 to 38. We are trying to raise the education standards of Armed Forces members through a contract with the Catholic University, which in the past banned them from entering the university. This holds good for the police too. We are trying to give better training to police personnel, and to treat cadets and officers humanely. We have a Secretariat for Women; the Diben [Directorate for Social Welfare and Assistance], which is headed by a woman; and preferential treatment for the handicapped. We are trying to give an opportunity to everybody without discriminating against anybody.

[Gonzalez] And your failures, Mr. President?

[Wasmosy] The delay in passing laws, like the ones pertaining to the reform of the Central Bank, the financial, credit, and exchange systems. This has slowed down my projects, including that about privatizations. We could have already privatized state-owned enterprises.

[Gonzalez] And why have they not been privatized?

[Wasmosy] Beside the bill we have sent to Congress, there is an injunction sought by Apal [Paraguayan Alcohol Administration] employees. I hope this will be settled as soon as possible.

[Gonzalez] Should you not include the situation of farmers among your failures?

[Wasmosy] I am honoring what I promised during the election campaign. Peasants now have at their disposal high-production seeds. Credits were readily available, but some cooperatives chose to abstain from seeking loans for fear of the Labor Code. However, there is the concrete example of the cotton crop, which has seen a dramatic growth, and not just in terms of the area cultivated. The same holds good for soybean and sunflower. Let us not forget about our exports of beef and wooden furniture. I think our export earnings will attain an all-time high this year, totalling \$1 billion. It goes without saying that the cotton harvest will double in volume.

[Gonzalez] And how about the price producers will they be paid?

[Wasmosy] That will be very good. At the start they will be paid 600 guaranies per kg. We have had two consecutive bad years. On one hand world market prices plummeted while on the other hand we had adverse weather conditions. Prices and the weather are currently most favorable. When the peasants have money, it permeates to all of us.

[Gonzalez] You seem to believe the peasants' problems will end.

[Wasmosy] No, no, not by any means. Producers continue to be the victim of speculation. The government cannot do everything. People should learn about the government credit system so that the farmers pay 21.23-percent interest instead of 80 or 100 percent. Instead of paying them in cash, sometimes they are paid in kind. This is why I speak of a social market economy. Businesses should be humane. We all want good returns. The profit motive is not a sin. But, we must look after producers of commodities because if they sink, we all stand to lose. One must put them on their feet again, give them a helping hand. To all this we must add good health care and education programs which, thank God, are already under way. I do not want, for example, the next president to find it necessary to change the whole education program ...

[Gonzalez] And be confronted with the problem of 170,000 children who have no place in a school ...

[Wasmosy] At present there are 135,000 children who cannot go to school because there are no teachers and no classrooms. We have implemented a system of prefabrication, which was recently launched in the town of Juan de Mena, and we will make every possible effort to incorporate a greater number of schools to the education system. Notwithstanding this, we are short of money. We want to rectify this with the help of community leaders. Companies operating in this or that place, for example, could defray the cost of educating their employees and their workers' children. After all, they will derive great benefit from this because they will contribute to their staff's happiness by educating the children.

[Gonzalez] Going back to the subject of peasants, it has been estimated that there are between 100,000 and 300,000 land-less farmers. Is the land reform going ahead?

[Wasmosy] It leaves a lot to be desired. First, the operating capacity of the Agrarian Reform Institute is limited to handing out just 3,000 title deeds, and there are 300,000 who need a title deed. We are taking the necessary measures to speed up the process so that there will no longer be a shortage of deeds.

Peru

Election Board Announces Definitive Results of Referendum

PA2012160693 Mexico City NOTIMEX in Spanish
2135 GMT 18 Dec 93

[Text] Lima, 18 Dec (NOTIMEX)—The National Election Board (JNE) announced today the definitive results of the constitutional referendum held 48 days ago in Peru and paved the way for the promulgation of the new Constitution.

According to figures published by the official newspaper EL PERUANO, the "yes" vote, which the government party supported, obtained 344,429 more votes than the "no" vote. The opposition, which includes the legislative minority, supported the "no" vote.

The JNE resolution stated that the "yes" vote, supported by the New Majority-Change 90 alliance, obtained 3,895,763 votes (52.3 percent) against the "no" vote's 3,548,334 (47.7 percent).

A total of 216,088 votes were blank, while 518,000 were declared null.

Despite the delay of the definitive results of the referendum held on 31 October, the Democratic Constituent Congress [CCD] is still undecided on the mechanism to promulgate the Constitution that will replace the 1979 Constitution or who will be charged with doing it.

According to the ruling faction, President Alberto Fujimori should be in charge of promulgating the new Constitution, but opposition members believe that Congress should do it as it was done with the 1979 Constitution.

Government Legislator Ricardo Marcenaro, a member of the Constitution Commission, has said that before deciding on the mechanism, Congress should wait until the JNE makes the announcement of the official results to all political groups.

Carlos Torres, first CCD vice president, has said, however, Fujimori will promulgate jointly the new Constitution before 30 December with the executive and Legislative Branches.

Opposition Legislators Antero Flores Araoz and Jose Barba Caballero, of the Popular Christian Party and the Democratic Coordinating Group respectively, have said that at the least the Congressional Board of Directors must consider the matters.

Flores Araoz and Barba Caballero have stated that the opposition has not held coordinating consultations to conduct the ceremony announced by Torres.

According to unconfirmed reports, the presidents of Bolivia, Colombia, Chile, Ecuador, and Brazil as well as the congressional leaders of Peru's bordering countries, have been invited to the ceremony.

The leftist opposition, without legislative representation, reiterated today that "the return to a full democracy has been a fraud," considering that "a minority of Peruvians" has approved the constitutional reform.

That argument is based on the vote issued this week by Juan Chavez Molina, one of JNE's five members, in which he stated that "there was fraud" in the referendum. JNE President Cesar Pollack has denied this accusation.

The opposition and social democratic party American Popular Revolutionary Alliance (APRA), led by former President Alan Garcia, announced the night of 17 December that it will request that the next Congress, which will be elected after 1995, annul the new Constitution and referendum.

APRA has argued that the new Constitution is "illegitimate" because it was approved by a part of the electorate and the referendum had been "plagued with irregularities."

The APRA said that there was a 30-percent absentee rate in the referendum, given that only 8 million of the 11 million registered voters actually voted.

Uruguay

Government Stresses 'Achievements' of GATT Negotiations

PY2112015493 Madrid EFE in Spanish 1737 GMT
18 Dec 93

[Text] Montevideo, 18 Dec (EFE)—The Uruguayan Government stressed today, 18 December, the achievements of the GATT negotiations, although it expressed its "disagreement with the outcome of the chapter referring to agriculture in the final text of the document."

The Cairns Group, which is made up of Uruguay and 14 other nations with productive efficiency in the agricultural field, is opposed to the subsidies, which are applied to agricultural products within the developed world, namely in Europe.

According to the country which has given its name to this round of negotiations for the General Agreement on

Trade and Tariffs (GATT), the Geneva document "contributes to consolidating the multilateral trade system as the main instrument for defending the principles of equilibrium and globality."

According to the Uruguayan Government statement released today, the conclusion of the Uruguay Round "assumes the commitment of over 100 countries to ensuring a framework of multilateral trade."

It says that in an international context established "by profound changes in the economic and political structures, the agreement that has been achieved has contributed to avoiding a confrontation which, had the negotiations failed, have brought about unpredictable negative consequences for international trade, and especially for the interests of the developing nations."

Concerning the chapter on agriculture, the Uruguayan Government expressed its disagreement over the outcome "which, although it represents progress with respect to the previous position, does not meet all the expectations nor globality of interests of the developing nations, as stated in the declaration of the Rio Group on 11 October."

However, Uruguay feels that the inclusion within GATT of clear disciplines must be studied, "toward a gradual and favorable process for dismantling the subsidies applied to production and export of agricultural products, even though the agreements achieved are considered partial, incomplete, and nondefinite commitments."

The six-point document also states that intensive diplomatic negotiations are also being carried out in seeking to improve the conditions for Uruguayan access, especially to the markets of the United States and European Union, for certain products which are in its commercial interest.

The communique adds that "when the Uruguay Round is formally closed at a ministerial level in March of next year, Uruguay will have concluded its participation since its creation in Punta del Este in 1986."

According to Uruguay, in order to conclude the round Uruguay "has made its greatest efforts both at multilateral and bilateral levels. Using all its capacity for negotiation, it has contributed with responsibility and equilibrium in defending the country's interests and guaranteeing within the institutional framework the principles intended to consolidate a freer and more just international trade."

Venezuela

President Velasquez Cited on Value-Added Tax

PA2112044193 Caracas EL GLOBO in Spanish
18 Dec 93 p 2

[Excerpts] Prior to imposing the value-added tax on consumers, the government will wage a campaign

through the country's media to avoid the situation that ensued when the tax was imposed at the wholesaler level.

President Ramon Jose Velasquez reported this following the ceremony at the National Cemetery marking the 163d anniversary of the death of Simon Bolivar. Velasquez said that the value-added tax is a law and he is studying the possibility of a campaign to prepare the people before the law goes into effect. He said: "Laws cannot be postponed. Wholesalers are paying the value added tax. We are now implementing the second phase, which is also established by Congress' Enabling Law." The tax law on consumers is more difficult and complex because consumers have to be watchful. This is why it is being evaluated to determine whether or not it can be imposed without a prior pedagogic campaign.

Regarding the U.S. intention to tax Venezuelan oil, Velasquez said that Ambassador to the United States Consalvi has reported that a decision on this would be adopted soon and that it would probably be adverse to Venezuela. He said: "I announced on behalf of the Venezuelan Government that we would appeal to GATT to wage a campaign we must all support so that the revenue provided by Venezuelan oil suffers no reduction."

According to unofficial sources, the team that will govern with President Caldera has held talks with the current cabinet so that the date for the implementation of the value-added tax for retailers is not changed. [passage omitted]

In Miraflores Palace it was reported yesterday that President-elect Rafael Caldera plans to confirm Defense Minister Radames Munoz Leon in his post. The purpose of keeping the rear admiral is to avoid friction between the new government and the Armed Forces. [passage omitted]

Transport and Communications Minister Jose Domingo Santander congratulated the journalists who issued a report according to which Colombian Foreign Minister Noemi Sanin denied that Los Monjes islands produce territorial rights in the Gulf of Mexico because this is news that deserves an international prize. [sentence as published]

Colombian Ambassador Alberto Casas Santamaria has said he know nothing about this. A reporter asked him: The foreign minister says that Los Monjes does not create territorial limits? The ambassador answered: I cannot talk about a document I have not seen. I will speak with the reporters who filed this report so that they show me the document that I don't know about. The ambassador admitted, though, that the document exists.

He explained there was an exchange of secret diplomatic notes between the two governments and that he has not seen the documents. He said: I received a note from Venezuelan Foreign Minister Fernando Ochoa Antich

but I have not seen the note sent by the Colombian Government because it was processed before I became ambassador to Venezuela.

Defense Minister Radames Munoz Leon announced yesterday that there will be 20 more trial dismissals in favor of military people who participated in the coup attempts of 4 February and 27 November 1992. We are analyzing 69 cases and a group of 20 will be selected from those, he said. He noted that 15 military men have had their military rebellion charges dismissed already. Regarding a military man ill in Peru, the defense minister said he is prepared to give him a plane ticket and to study his case as soon as he returns to the country.

Regarding the meeting he will have with President Caldera, Munoz said that the two are very busy and have not had time to talk. He noted: "We still have 45 days to do that."

He was asked: Are there plans for you to leave?

He answered: I am a military man and I obey orders. Nothing has been said about this. There have been many rumors, though.

Munoz discussed the issue of pardons and said that the most clear cases are being studied. He said that there are degrees of participation in the actions. The pardons granted have been based on the behavior of those who benefited from them, on them having the good will to stay out of trouble. Some pardons were granted because of personal reasons.

He said: "There are fellow military men whose cases must be considered. Those who played a lesser role can be separated from the leaders, who must face trial and accept what is established by the law and return to the law." The main reasons why 15 military men were pardoned are their personal behavior and their stated desire to live in democracy and as civilians. Munoz said: Justice has been done progressively and those who have fewer problems can be released. This possibility has never been denied.

President Reinforces Border With Colombia To Combat Crime

*PA2112014393 Madrid EFE in Spanish 1737 GMT
20 Dec 93*

[Text] Caracas, 20 Dec (EFE)—The Venezuelan border will be reinforced by the military on orders from President of the Republic Ramon Velasquez because of an increase in kidnappings and other crimes in regions bordering Colombia.

The president announced today in Caracas that he has called a meeting this week with the governors of border states to coordinate new security plans. Velasquez also said he will coordinate military activities to be undertaken with the associations of stock breeders of the areas.

The Venezuelan president said the situation in the border areas has become very serious because of an

increase the kidnapping of stock breeders, activities of Colombian guerrillas, drug trafficking, and auto thefts in Tachira and Apure States, which border Colombia.

President-Elect Caldera Favors Taking Debt Problem to ICJ

*PA2112022993 Madrid EFE in Spanish 0108 GMT
19 Dec 93*

[Text] Caracas, 18 Dec (EFE)—Venezuelan President-elect Rafael Caldera today backed a proposal to take the Latin American foreign debt problem to the International Court of Justice [ICJ] in The Hague to study the debt's legal and moral implications.

Venezuelan Humberto Celi, president of the Latin American Parliament (Parlatino), has said that during a conversation Caldera offered to sponsor the search for a satisfactory solution of the regional indebtedness problem. This debt amounts to \$496.2 billion, according to the World Bank.

Caldera, who met with Parlatino leaders at his Caracas residence of Tinajero, also supported a proposal to create a community of Latin American nations. After he assumes office on 2 February for the 1994-99 term, Caldera will "stimulate and encourage" the Latin American integration process as his government's main foreign policy strategy, Celi said.

During a meeting in Caracas this weekend, the Parlatino board of directors will study NAFTA's implications for Latin America. According to Parlatino, NAFTA should be expanded to include the rest of the region's countries, which "deserve special treatment from the United States."

Celi also said in a news conference that Parlatino, through a follow-up commission, favors a political opening to Cuba as a complement to the economic opening initiated by President Fidel Castro's government.

Caldera expressed to Parlatino leaders his conviction that Latin American unity should be attained "above political regimes and ideological trends." He also said that his government will stimulate Parlatino. In addition, Caldera underlined the institution's role in the search for unity in the hemisphere, according to Celi.

The Parlatino leaders congratulated Caldera for his recent electoral victory and expressed their certainty that Venezuela is headed toward stability and democratic recovery after the two coup attempts of 1992 and the removal of President Carlos Andres Perez by mid-1993 to be tried for alleged corruption.

The delegation that visited Caldera was made up of Celi, Carlos Durpre of Chile; Carlos Arellano of Panama; Luis Rubeo and Eduardo Varela of Argentina; Humberto Pelaez of Colombia; Vasco Furhan and Neyb Lopes of Brasil; and Aristide Fernandez of the Dominican Republic.